Nancy Pelosi: The Most Powerful Woman In America

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Can California farms compete with the world?

Expensive new water projects will be wasted if thirsty farmers go bust

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California leads nation in privacy protection

Privacy Journal
October 17, 2002

According to the respected *Privacy Journal*, the nation's leading publication on privacy, California is #1 in privacy protection. When it comes to protecting consumer financial information, medical records, and government records, California's laws are the strongest in the nation.

California was the first state to create an Office of Privacy Protection, and in recent years, California legislators have passed over 30 tough new laws to protect the privacy of consumers in our state.

We have new laws to:

- Prevent identity theft
- End obnoxious telemarketing calls
- Stop junk mail solicitation
- Prevent misuse of public records
- Protect sensitive medical information

Now that California has approved these groundbreaking new laws, we need to give them a chance to work.

As lawmakers consider additional privacy proposals, it's important to remember that we need to protect consumers' privacy, but we also need to protect California's economy.

For more information about privacy protection, please log on to www.caprivacyprotection.org.

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Paid for by the Financial Services Privacy Coalition.

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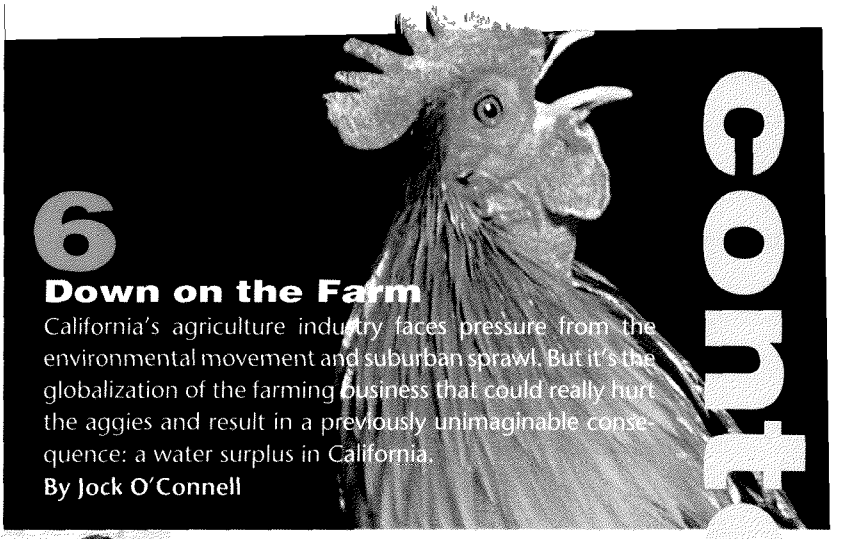

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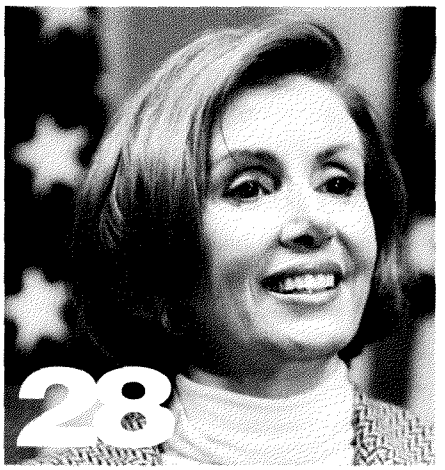

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from the editors

Ee-I-ee-I-Go

By David Lesher

The technology and entertainment industries get plenty of public attention as two of the state's most powerful economic engines. California agriculture has a much lower profile, even though it's also a leading state industry and the largest in the nation. The value of California agriculture is nearly double the nation's second largest farm state, Texas, and almost as much as the next three states combined—Iowa, Nebraska and Kansas. Needless to say, the future of California is greatly dependent on its farms. Today, the industry is still growing modestly, but it's also facing myriad pressures from unions, environmental regulations, foreign competition, water shortages, urban encroachment, land prices and more. In this issue, Jock O'Connell, a leading expert on agriculture, raises the alarming idea that much of the industry might someday collapse. We hope it is food for thought.

Cover design by Dagmar Thompson

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upfront

umbrage

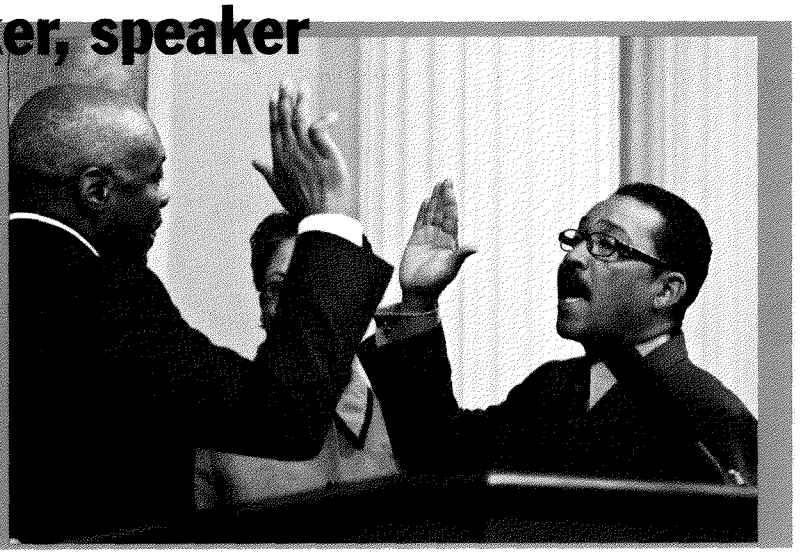
Junket to nowhere.

That whirring sound you hear is Tom Paine, hooked up to an industrial-sized lathe and spinning in his grave at Warp 9. Paine is the patriot who wrote a pamphlet called "Common Sense" — a commodity sadly lacking in the public arena these days. Take, for example, Assembly Speaker Herb Wesson (D-Los Angeles). Last month, Wesson was among a dozen or so lawmakers who accepted an invitation from the prison guards' union to zip off to Maui on the eve of a special session called to deal with a $21 billion budget deficit. Unfortunately, the speaker seemed unable to connect the dots between the state's fiscal morass and the gathering of lawmakers and a powerful public union at a tony resort not in California. Wesson justified the trip because he worked throughout the weekend, and that it was paid for with campaign funds rather than taxpayer nickels. He also insisted that it would not affect how he treats the prison guards. Never mind that he missed the point by a hundred light years. At a time when Californians are warned that looming budget cuts will reduce services, increase taxes and generally *hurt*, they also read that Wesson and two other legislative leaders — Assemblyman Dave Cox (R-Sacramento) and Senator Jim Brulte (R-Rancho Cucamonga) — among others — partied away in Hawaii. Did it cross Wesson's mind how these two images — pain and paradise — would strike, say, a parent faced with larger class sizes and loss of a child's breakfast program? And after all the recent hand-wringing over low voter turnout and the influence of special-interest money, did Wesson or his advisers consider how this looks to a seriously disenchanted public ready to believe the worst about its political system and those who run it? Never mind Wesson's fine-print explanation. Nobody — *nooooobody* — paid a whit of attention to what he said. They only saw his derriere parked on a seaside chaise-lounge and his tourist dollars sucked into the Hawaiian economy. "I can take the heat," he told the *Los Angeles Times*. For what? Lack of common sense in a public place?

Jewels in the crown.

Our brethren at *Governing* magazine last month named its 2002 "Public Officials of the Year," and among the 11 honorees were two Californians: James Hankla, the chief executive officer who brought Southern California's Alameda Corridor construction project home on time and within budget; and Frances Edwards-Winslow, the City of San Jose's director of emergency preparedness, who was cited for making her city one of the nation's most prepared well before September 11, 2001.

Speaker, speaker



Former Assembly Speaker Willie Brown Jr. officially installed his latest successor, Herb Wesson, as speaker for the 2003-04 session.

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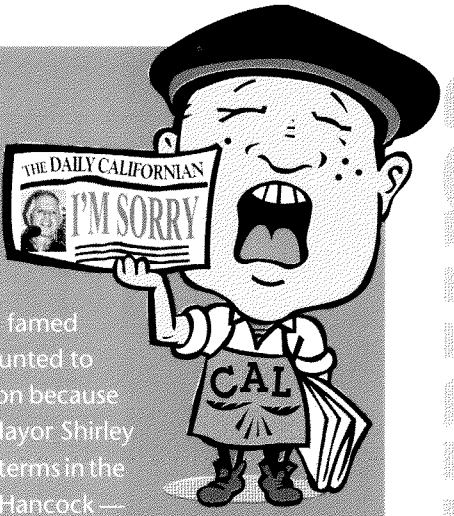
Crime:

In the case of Tom Bates

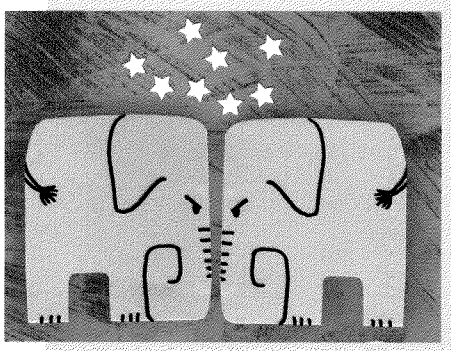


From the "what were you thinking?" file comes the Tom Bates fiasco from — surprise —Berkeley. Bates, the newly elected mayor of Berkeley, caused a major stir when he took 1,000 copies of the free UC Berkeley student paper, The *Daily Californian*, and deposited them in trash cans around the campus's famed Sproul Plaza. Bates — who later told reporters that his actions amounted to "political road rage" — took the papers on the day before the election because he was upset the paper endorsed his opponent, former Berkeley Mayor Shirley Dean. Democrat Bates, as many should recall, served 10 consecutive terms in the California Assembly until he was termed out in 1996. His wife, Loni Hancock — a former Berkeley mayor — was elected in November to his old Assembly seat. While Bates denied he took the papers at first, a group of student witnesses came forward and Bates subsequently admitted responsibility. Charged by Alameda County with theft, Bates plead guilty and agreed to pay a $250 fine and $500 to the Daily Cal to cover the cost of the trashed papers.

Politics:

GOP implosion, cont...

No one can accuse California GOP chair Shawn Steel of leaving his post without a ruckus. Steel, who'll be replaced when California Republicans meet for their convention in February, touched off an explosion of GOP internal criticism when in a speech last month he called for an end to tax breaks for California corporations because many corporate executives gave millions to Governor Gray Davis for the 2002 campaign. Steel also took on financier Gerald Parsky, President Bush's California adviser, and threatened to launch recall drives on any Republican state lawmaker who supports tax cuts in the upcoming budget battle. Steel accused Parsky of not raising enough money for Republican candidates in the 2002 elections. Steel's comments earned him a quick rebuke from the state Republican Party — GOP party leaders voted to censure their outgoing chairman.



Education:

CA teachers lead the way

California public school teachers earned the most money of U.S. teachers in 2002, according to a National Education Association report. California teachers pulled in an average of $53,870 in 2002, well above the national average of $44,499. Thirty-six states pay teachers less than the national average. The report also found that California is 29th in education expenditures per pupil at $6,816 per student, up 4.1 percent from 2001.

Quotables.....

"I could get a Lexus that costs twice that much but I picked what I thought was a moderate range."

— Carole Migden, newly elected Board of Equalization member when it was revealed that, along with her $131,000 salary, she'll drive a new Cadillac CTS on the state dime.

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Waking up to the plight of California farmers:

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How globalization could alter the politics of water

California farms are under a lot of pressure. There's urban encroachment, labor conflicts and environmental laws. Now, with competition from cheaper products overseas, the demise of California agriculture is not a far-fetched prospect. And that would leave the state swimming in excess water supplies.

By Jock O'Connell

Water has been the subject of bruising political and legal battles in California dating back into the 19th century, when a visiting Mark Twain is said to have observed that, in these parts, "whiskey is for drinking; water is for fighting over."

Today, California's water wars are bogged down in a stalemate featuring three principal combatants: urban water districts struggling to slake the thirst of a fast-growing population; environmentalists intent on preserving both pristine canyons and imperiled species; and agriculture, the $30 billion industry that consumes upwards of 80 percent of the state's developed water supply.

What may finally break the current deadlock is not a transcendent political or technological solution, but a set of global economic trends that could put most of California's farmers out of business and drive the state's food processors overseas, leaving California with a water surplus.

This is not a far-fetched prospect. Lacking the huge subsidies the federal government has long lavished on Midwestern grain growers, California's fruit and vegetable farmers have always led a more precarious existence, one more directly subject to market forces and climate. Even so, they have flourished as a group and continue to grow more than farmers in any other state. Times are changing, though. California farmers are now facing an unprecedented challenge from foreign growers capable of producing most of the same crops produced in California but at much, much lower costs. In short, the emerging global economy is dealing California agriculture a very uncompetitive hand.

In its 2001 white paper on agricultural policy in the new century, the U.S. Department of Agriculture advised the nation's farmers: "We can no longer think of our agriculture as being confined to what takes place within our borders. It is part of a larger, worldwide interconnected system."

That's putting it mildly. In every corner of the world, traditional markets for food and fiber are being rapidly and radically transformed. Increasingly more efficient transportation and communications systems, coupled with moves to liberalize trade and investment rules, are fast eroding the significance of borders and distance. That peaches grown in Greece are now being processed and packed into individual serving containers at a plant in Thailand for sale to North American consumers merely hints at the monumental changes that are engulfing the world's food market.

Unfortunately, the implications of these changes have yet to have a perceptible bearing on how California's political leadership views farming. In Sacramento, as in most other state capitals throughout the country, it is

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simply impolitic to speak ill of agriculture. No elected official, for example, would dare question those recurrent boasts that agriculture is the state's leading industry, even though that has not been true since before Pearl Harbor was bombed. While California is still the nation's leading farming state, total farm receipts here account only about 2 percent of California's $1.3 trillion gross state product.

Despite this relatively modest share of the state's economic output, agricultural interests exert considerable political clout on an exceedingly broad range of public policy issues, including environmental regulations, land-use restrictions, tax codes, rural development strategies, labor practices and immigration reform. But it is California agriculture's enormous thirst for irrigation water that has helped run up the bill taxpayers have paid over the past century for the construction of an intricate network of massive dams, reservoirs and aqueducts.

California ports are increasingly a U.S. entry for Asian and South American farm products. Photo: Reuters/Fred Pouser. Port of Los Angeles, January 2002.

Now taxpayers both in California and throughout the nation are being asked to spend billions more to guarantee that all of California's water needs are met for a generation or two to come. Under the circumstances, the indelicate question should be raised: Are we really going to need all that water?

Political rhetoric and glossy farm lobby brochures typically portray California's agricultural economy as robust. That, regrettably, is a lie that only serves to make it more difficult for the industry and its political patrons to acknowledge, let alone grapple with, some very depressing economic realities. For the fact is that, by virtually every

Source: California Department of Food & Agriculture

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measure, life down on a typical Golden State farm has been going from worse to cursed in recent years.

"While much of the state and nation has enjoyed a booming economy the past few years, agriculture has gone bust," Bill Pauli, president of the California Farm Bureau Federation told a meeting in Washington, D.C., in May 2001. "Many farmers have fallen on hard times. For many commodities, returns to farmers have fallen below the cost of production. Some prices are at 20-year lows," Pauli went on to remark before alluding to U.S. Department of Agriculture projections indicating that farm income for most California growers was not expected to improve in the near future.

Alas, nothing has fundamentally changed.

In testimony before Congress last summer, representatives of the American Farm Bureau Federation declared that the U.S. fruit and vegetable industry (much of it centered in California) "is suffering through the worst economic hardships in 70 years."

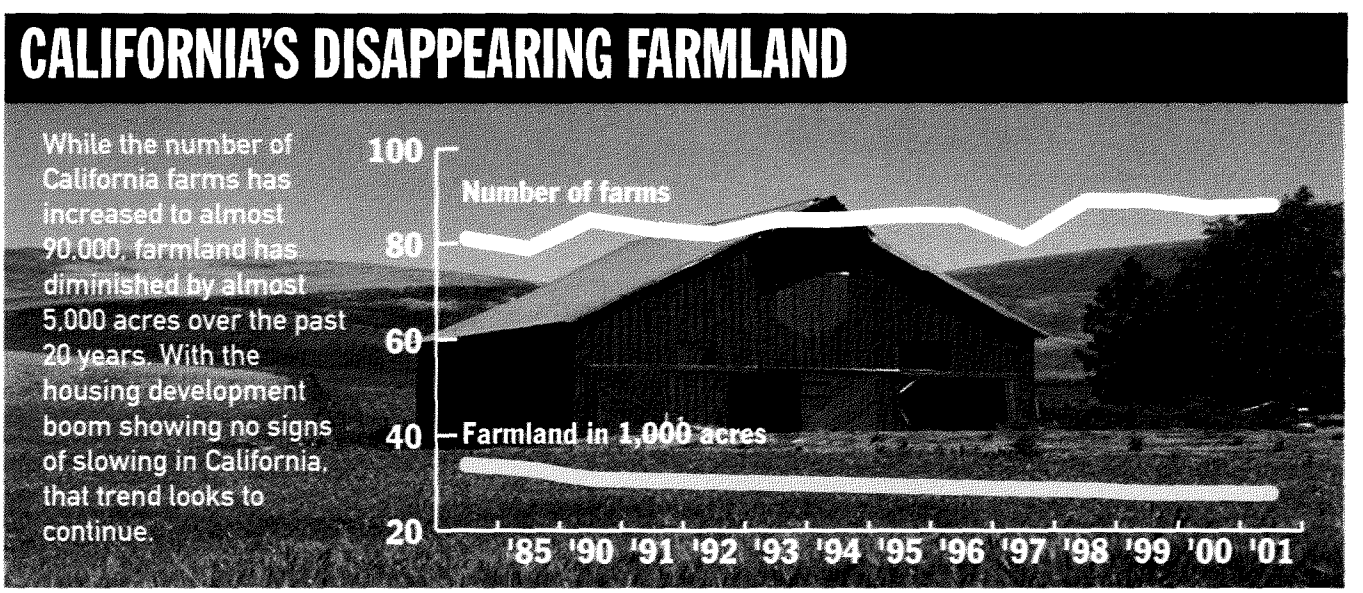
Along with agricultural operations in other states, California's 87,500 farms are being squeezed between rising production costs and stagnant or declining crop prices. But in many ways the plight of growers in the Golden State is unique. With the exception of cotton and rice, none of the estimated 350 commercial crops raised in California qualify for federal subsidies or price supports. So, unlike Midwestern grain and soybean producers, the growers of the fruits, vegetables, nuts and other specialty crops for which California is renowned lay exposed to a market that is seldom merciful.

Nor is the lack of a federally-weaved safety net the only problem facing California farmers. A surging and sprawling population will only aggravate the already intense competition for both water and land. Meanwhile, energy costs are apt to remain artificially high for many years under the terms of the long-term contracts negotiated with electricity suppliers during the state's energy crisis. Labor costs will continue to rise, and opposition to the use of pesticides and herbicides is unlikely to grow any less emphatic. Even tighter border controls designed to thwart terrorists could contribute to agriculture's woes by causing crippling labor shortages in the fields and at food processing plants throughout the state.

To be sure, California's farmers have weathered previous downturns. This time around, though, there's a new and especially ominous dimension to their plight — one that will severely challenge their resilience and resourcefulness. For in the competition for markets both here and abroad, the state's farmers are now vying more intensively than ever against foreign growers who can produce the same high-value specialty crops as California, but who farm in countries where the costs are far lower and where business operations are invariably less extensively regulated.

There is no doubt that trade agreements have and will continue to expand export opportunities for California food products. But trade is a two-way proposition that sometimes yields nasty consequences for some. According to a 2001 report from the California Farm Bureau: "Prices for many of the state's 250-plus commodities have collapsed due to foreign imports, including raisins and other dried fruit, olives, garlic, honey, apples, apricots, peaches, oranges, pears and tomatoes." California's cotton and rice growers, for example, are seeing crop prices some 30 percent below a decade ago. Similarly, recent imports from Colombia and other Latin American countries have depressed prices to California's fresh flower growers.

Today's global market features multiple threats to California agriculture. Of these, some of the most prominent are: Japanese and European Union resistance to abandoning policies that heavily subsidize domestic farmers while imposing barriers to food imports from the U.S.; unprecedented competition from farmers in countries such as Brazil, South Africa, Turkey, Australia, Chile, and Argentina; international diplomatic pressure to further open the American market to food shipments from the world's


CALIFORNIA'S DISAPPEARING FARMLAND
While the number of California farms has increased to almost 90,000, farmland has diminished by almost 5,000 acres over the past 20 years. With the housing development boom showing no signs of slowing in California, that trend looks to continue.
100
80
60
40
20
Number of farms
Farmland in 1,000 acres
'85 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 '00 '01

Source: California Department of Food & Agriculture

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poorest regions; and the relentless globalization of food procurement and processing by companies such as Nestle, Dole and Archer Daniels Midland. Not only are these multinationals turning more and more to foreign sources for processed food products, they are investing substantially in developing the productive capacity of growers in low-cost countries.

Then there is China. The full impact of China's formal accession to the World Trade Organization remains to be seen, of course. Still, California growers, who once relished the prospect of easier access to 1.3 billion Chinese consumers, are now sounding a different note. Addressing the World Ag Expo in Tulare this past February, Shawn Stevenson, chairman of California Farm Bureau Federation's Trade Advisory Committee, described China's entry into the WTO as a "double-edged sword" for the simple reason that the Chinese "are huge producers of a lot of the same commodities that we grow here in California."

To his audience, the implications were as clear as they were disheartening. Stevenson did not have to point out that Chinese farmers are able to grow these crops much more cheaply than Californians can. Nor did he have to explain that China's emergence as a major supplier to the global food market would likely depress crop prices even further and thus make competition, let alone survival, all the more difficult for growers in high-cost California.

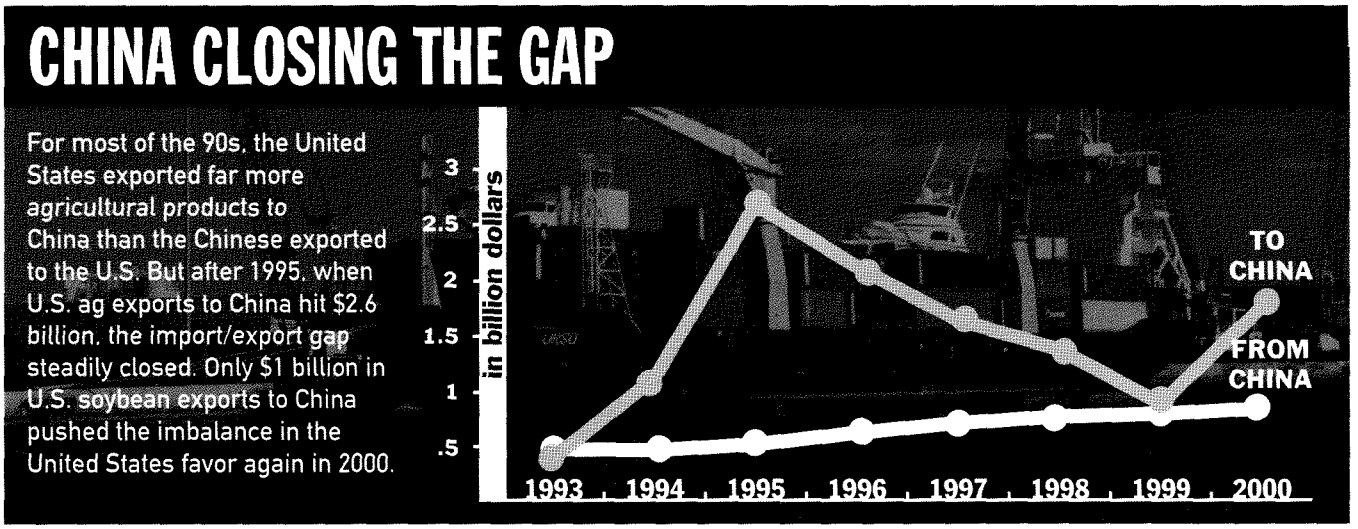
According to an internal Farm Bureau memorandum obtained by the *San Francisco Chronicle* last May: "With its large number of farms, ample resources and central planning, China is a continued threat as a major exporter of agricultural products at levels that could be harmful to the U.S. and California specifically." That threat is already being felt. For example, despite transportation costs *and* a nearly 400 percent tariff, fresh Chinese garlic is being sold in California at prices considerably lower than the local cost of growing garlic.

But it is not merely cheap food imports from China and other nations into the United States that threaten the economic viability of California agriculture. To the extent low-cost foreign growers and food processors vie for sizable shares of California's overseas markets, the state's $6.6 billion farm export trade will be imperiled with predictably unhappy consequences for the state's agricultural sector. Indeed, with China having already displaced the U.S. as the leading supplier to Japan's lucrative market for fresh fruits and vegetables, the prospect of losing other major export markets in Asia and Europe to foreign competition should be making California farmers exceedingly nervous.

Yet, even among those few farm leaders and government officials willing to concede privately that production agriculture as we know it may eventually cease to be economically viable in California, the decline is expected to be so gradual as to leave ample time for the necessary policy and personal adjustments. That may be wishful thinking. While farmers in the otherwise arid fields of California need for water, they have an even more critical need of the financing required to carry them from planting to harvest.

Prompted by federal and state regulators, lending institutions have grown more and more wary when financing agricultural debt. That message has been a recurring theme of recent meetings of the California Chapter of the American Society of Farm Managers and Rural Appraisers, including one last April where a speaker pointedly observed that farm lenders were not taking any business with "hair on it." Worse, the value of the assets used to collateralize farm loans has been coming under greater scrutiny as farmland throughout the state continues to be adversely affected by lower commodity prices and increased production costs. (Ironically, the one factor currently buoying farmland values in California is the steadily increasing demand for acreage intended for residential and commercial development.)

It is far from clear how long risk-averse financial institutions will continue to support precariously perched California farmers when attractive rates of return and greater security can easily be found in other investment opportunities here and abroad.


CHINA CLOSING THE GAP
For most of the 90s, the United States exported far more agricultural products to China than the Chinese exported to the U.S. But after 1995, when U.S. ag exports to China hit $2.6 billion, the import/export gap steadily closed. Only $1 billion in U.S. soybean exports to China pushed the imbalance in the United States favor again in 2000.
in billion dollars
3
2.5
2
1.5
1
.5
TO CHINA
FROM CHINA
1993
1994
1995
1996
1997
1998
1999
2000

Source: USDA

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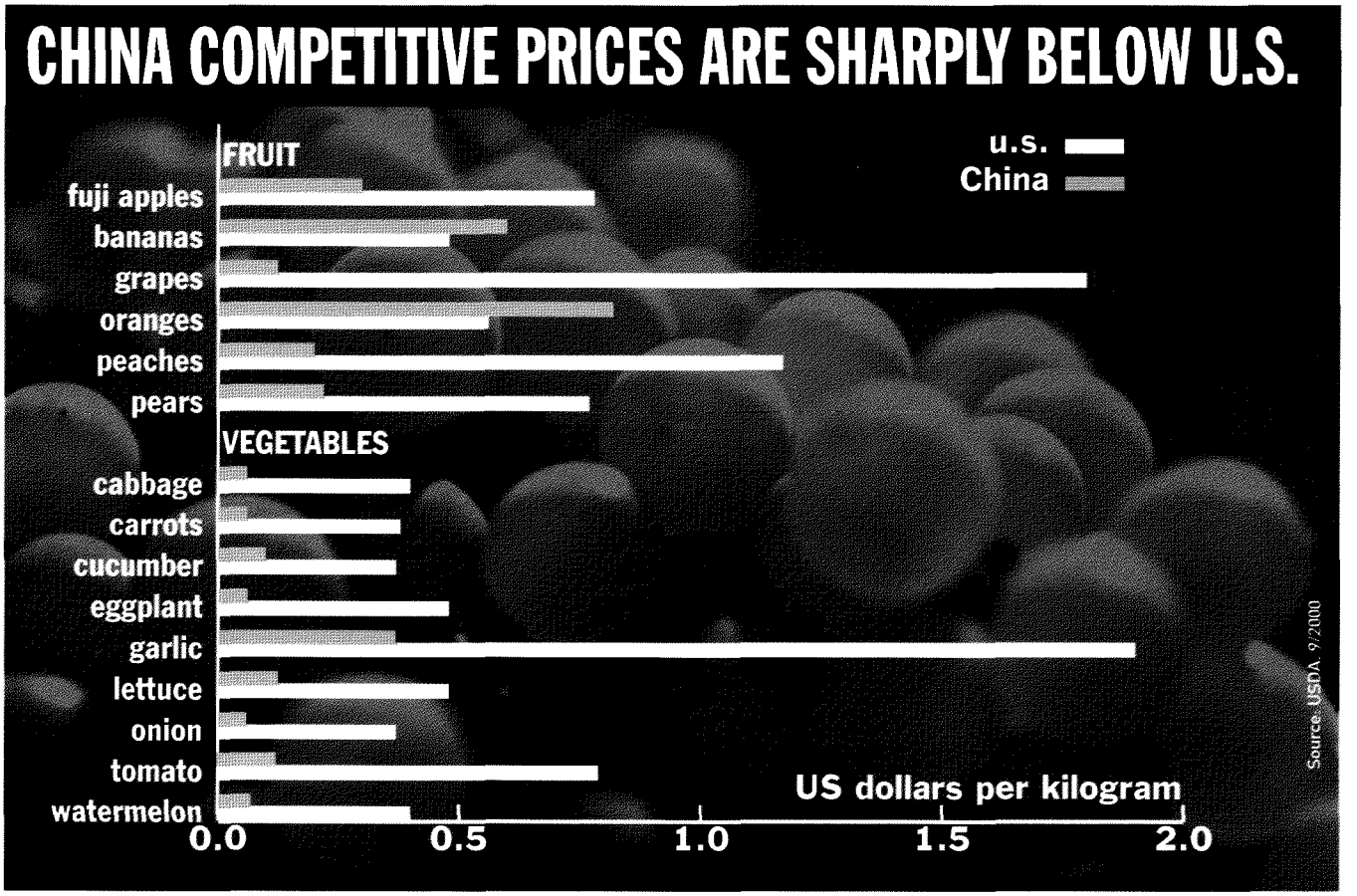

There is, then, a very real danger that loan money will dry up long before the water does. Indeed, given the financial industry's well-documented herd instinct, the departure of one major lender could trigger a stampede of the sort financial markets worldwide have grown accustomed to seeing in recent years. If that occurs, the condition of most California farms would deteriorate briskly. In such an admittedly worst-case scenario, agriculture's need for water would suddenly plummet.

Yet, even if California's agricultural economy enjoys a more decorous recessional, the resulting shift in the state's water consumption patterns should be enough to fundamentally alter the political balance that has long characterized California's water wars. Indeed, in the not too distant future, the Golden State could wind up with much more water than its 21st century population and industry could ever use.

Such an eventuality would almost certainly lead to a bizarre public policy blame-game aimed at ferreting out those responsible for squandering billions of federal and state tax dollars to ensure a steady supply of water to an industry with such poor prospects for long-term survival. No doubt some ingenious spin doctor will earn a handsome fee by defending those expenditures on the grounds that they helped foster development of a new and valuable export commodity for California — water.

In a broader context, though, the inability or unwillingness of public officials and farm industry leaders to gaze beyond the shoreline provides a striking example of what can happen when policy-makers allow themselves to become ensnared in the comfortable confines of a body of predigested facts, tenets and assumptions generally known as conventional wisdom. Unfortunately, in a world where the pace of change itself seems to be constantly accelerating, notions that took months if not years to gain widespread acceptance are invariably out of date before policy decisions are rendered. That's one reason major public policy moves quite often have a perverse effect on the problems they were designed to address.

In the case at hand, the penalty for ill-timed policy-making looks to be especially dire for those communities throughout California's agricultural regions who continue to fashion economic development schemes that reflexively assume agriculture's continued vitality. No one, it seems, wants to think long and hard about what they will do when the farmers pack it in and the food processors depart. Yet, when that ultimately happens, the unpleasant reality is that communities that have failed to reckon with a future after agriculture will swiftly find that they have no inalienable right to life.

Jock O'Connell is an international business consultant who writes frequently about the internationalization of California's economy. He can be contacted at jockoconnell@email.com.

Comments may be sent to **edit@statenet.com.**

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WILL WINE FLOW FREELY ACR

Winemakers and their distributors are squaring off in Congress and the courts over whether wineries can ship directly to their customers. But until the federal government streamlines existing alcohol shipping law, winemakers — in California and across the nation — will have to conform to a confusing set of state standards. There are signs this could change.

By Anthony York

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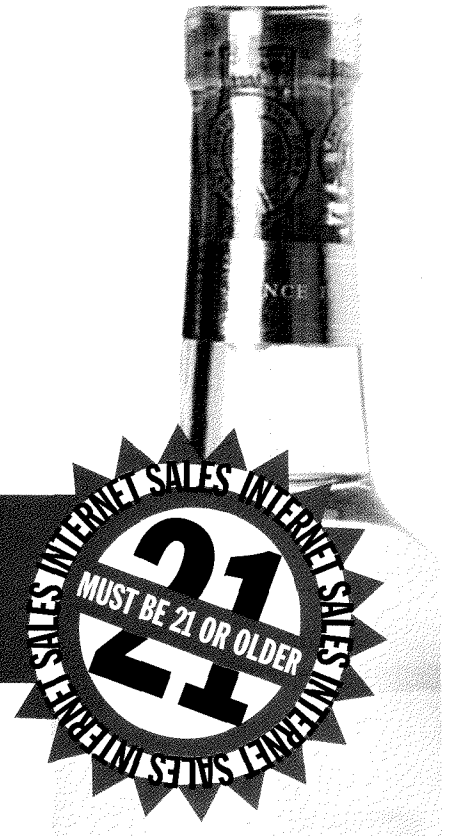
OSS STATE BORDERS?



Californians should be forgiven if the Byzantine liquor laws in other states puzzle them.

Going to a Sunday night dinner party in New York? Make sure you buy that bottle of wine on Saturday — state blue laws prohibit wine sales on Sunday. In Washington state, you'll have to go to a state-run liquor store for that bottle of bourbon. If you want to grab a six-pack before the big game in the nation's capital, don't expect to find any High Life at your local supermarket — beer and wine can only be purchased in liquor stores in D.C. Want a cocktail in North Carolina? You're going to have to sign up for a liquor "club." The regular bars only sell beer and wine.

For this assortment of quirky codes, we can thank the United States Constitution. The labyrinth of liquor laws was created by the 21st Amendment, which ended America's brief experiment with prohibition but gave individual states the rights to make their own liquor laws. Since then, liquor laws have varied widely from state to state.

But now, wineries across the nation, including in California, the undisputed wine capital of the country, are hoping 21st-century commerce can trump 20th-century restrictions on interstate liquor sales. The wine industry is locked in a legal and political struggle to give wineries the right to sell wine directly to aficionados across the country without going through wholesale distributors or retail outlets. The irony is that the wineries' adversaries in this fight are the same wholesalers and retailers that they depend on to distribute and promote their wine nationwide. The industry has tried to bill this battle as a typical David vs. Goliath struggle, pitting small, independent wineries against the powerful wholesalers lobby, which has a virtual monopoly in many states on wine distribution. The restrictions, winemakers claim, do not hurt the big wineries that can afford major distribution contracts. It is small, independent winemakers who may not have the reach of a Kendall-Jackson or Robert Mondavi and cannot place their wines in liquor stores across the country.

The wholesalers' rebuttal includes everything from a moral defense to federalist philosophy. They say liberalizing shipping laws would allow minors to illegally obtain alcohol through the mail and point to the rights of states to make their own laws about, and collect state taxes from, liquor sales. Less frequently mentioned is their concern for the bottom line. Wholesalers are middlemen in the wine trade, and they fear direct

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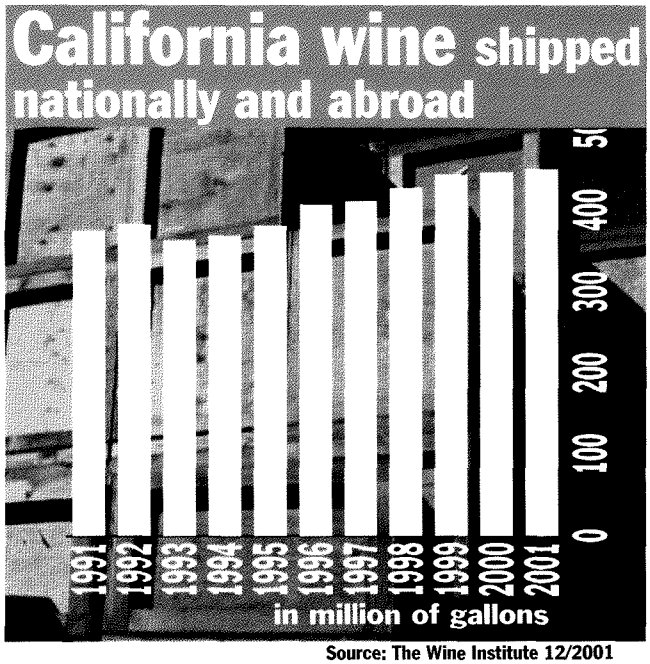
shipping could destroy their business.

Wholesalers also argue that the federal government shouldn't scrap states' distribution laws, arguing that the laws have been efficient over time. Craig Wolf, general counsel of the Wine & Spirits Wholesalers of America, says eventually the Supreme Court could decide the issue. "It's a classic conservative battle between unrestricted free marketers vs. states' rights people."

There are few good estimates of just how much money is at stake. The wine industry is a $33 billion business in California alone, according to the Wine Institute. The retail value of all California wine sold in the United States topped $13.4 billion in 2001. It is not known what kind of impact direct shipping may have on the multibillion dollar American wine business, but it was enough to warrant more than $400,000 in political donations alone from the Wine and Spirits Wholesalers of America in the last election cycle. In 2000, WSWA spent an additional $920,000 on lobbying, according to figures from the Center for Responsive Politics.

"There's a number of red herrings that are routinely brought up," says Steve Gross, state relations manager of the Wine Institute, a lobbying group that represents more than 600 California wineries. "They say direct shipping will make it harder for states to collect taxes, that they won't be able to regulate the marketplace, and they cite sales to minors. The truth is, this is a turf war."

But wholesalers say regulation of alcohol, unlike other goods, was specifically and intentionally left to the states when the 21st Amendment was passed in 1933. "Alcohol is not cheese, nor contact lenses nor caskets nor any of the other products at issue here," said C. Boyden Gray, attorney for the Wine and Spirits Wholesalers of America, in testimony before the Federal Trade Commission in October. "In fact, alcohol is the sole product that has its own constitutional provision, a reflection of the unique history of alcohol in this country."



Source: The Wine Institute 12/2001

U.S. Wine Facts 1999

Vineyard acres	905,000
World ranking	4
Percent of world market	4.7%
Wine production	533,596,000 gallons
World ranking	3
Percent of world market	9.5%
Per capita consumption	2.01 gallons
World ranking	34

Source: The Wine Institute 12/2001

Not surprisingly, Gross disagrees. "The 21st Amendment has limits," he says. "The purpose of the provision was not to empower the states to favor local liquor industries by erecting barriers to competition."

Just how complicated are the current direct shipping laws? Well, California is one of 13 so-called "reciprocity states." These states have entered into agreement that wine can flow freely between these states without going through the three-tier system from producers to wholesalers to retailers. Direct shipments are banned altogether in 23 states. Still others, like Nebraska, require wineries to obtain special permits before they can ship to customers. Pennsylvania allows wineries to ship limited amounts of wine that is not available in state-run liquor stores. A customer may order the wine, but it must first come to the liquor store, where a 24 percent tax, and $4.50 handling fee, will be added to the cost of the bottle. [For a complete breakdown of these laws, check out the Wine Institute Web site *http://www.wineinstitute.org/shipwine/analysis/intro_analysis.htm*]

And what are the odds that the federal government will someday replace this confusing system with uniform, national liquor laws? For now, industry advocates say they are encouraged by the victories on both the judicial and legislative fronts. They point to a November ruling striking down New York's direct-shipping laws, which prohibited out-of-state wineries from mailing wine to customers. And earlier in the month, President Bush signed legislation that will allow people who visit wineries to ship their purchases home, another small but significant victory for the industry.

Both sides agree the direct-shipping issue will ultimately be resolved by the U.S. Supreme Court, probably within the next three to five years. In November, wineries won a victory when Federal Judge Richard Berman ruled that New York's wine-shipping laws were unconstitutional. In New York, state law allows in-state wineries to ship their wine to New York wine drinkers but does not allow out-of-state wineries to send wine directly to consumers. Berman said New York's shipping laws "provide an imper-

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missible economic benefit and (protection) to only in-state interests," a violation of Article I, [Section 8] of the Constitution, the commerce clause. In December, Berman ordered New York state to allow wineries in the rest of the country to ship wine to New York consumers. New York is appealing Berman's decision.

Other cases in Virginia, North Carolina, Michigan, Florida and Texas are also winding through the federal courts, and wine producers are optimistic that one of these cases may wind up before the high court within the next couple of years.

Tracy Genesen, legal director of the Coalition for Free Trade who moonlights as a wine grape grower near Sacramento, says the federal legislation regarding shipping on-site winery purchases signed by President Bush last year will have a limited impact in terms of actually changing wine laws but was an important step for Congress, and the president, to take.

"Allowing personal importation via an airplane basically is symbolic," Genesen says. "Congress has spoken that they are open to limited personal importation. However, as a practical matter, some states are still going to make it real difficult for people to ship their wine home." Representative Mike Thompson (D-St. Helena), co-chairman of the Congressional Wine Caucus, one of the sponsors of the provision, says the legislation is a small, but important and very real, step in clearing the way to liberalizing direct shipping laws.

"I think this is ultimately going to be resolved by the [Supreme] Court, but I don't think this is just symbolic, and I don't think the wholesalers do, either," Thompson says. "I expect that people in any of the 50 states, if their home state allows for personal transportation, they can send wine home if they're out visiting a winery in California or any other state."

Thompson conceded that shipping companies like UPS and Federal Express have not yet agreed to take these shipments. But he remained optimistic that the carriers would not be scared off by a 2000 law, authored by Sen. Orrin Hatch (R-Utah), that allows states to use federal courts, and to seek stronger penalties, to enforce their bans on direct shipments of wine. [President Clinton signed that provision into law after Hatch attached the measure to a bill aimed at reducing the number of illegal immigrants sent to the United States as sex slaves.]

Thompson aide Tom LaFaille said the recent court and congressional victories were an important tidal shift in direct-shipping law after a number of court setbacks and the passage of the Hatch law. LaFaille called Hatch's law an effort to intimidate wineries and discourage them from shipping their wine between states.

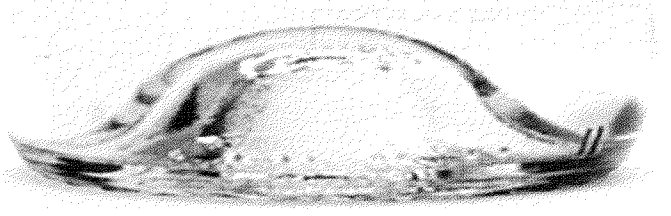
"We were going backwards from our standpoint," LaFaille said. "That's what makes this year's bill so exciting and encouraging. The momentum is changing. The focus now is getting a good solid case to the Supreme Court."

Anthony York is Washington correspondent for Salon.com. Comments may be sent to **edit@statenet.com.**

California Wine Facts

Number of Wineries	**847**
Number of Grape Growers	**4,400**
Full-time Equivalent Jobs	**145,000**
Wages Paid	**$4.3 billion**
Wine Produced (750ml bottles)	**2.6 billion**
Retail Value of Wine	**$12.3 billion**
Wine Sales Growth Rate	**12%**
(compound annual rate 1994-1999)	
Tourism Expenditures	**$1.2 billion**
Number of Visitors	**10.7 million**

Source: The Wine Institute 12/2001



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Ann Veneman speaks to journalists after being nominated for Secretary of Agriculture by President George W. Bush, 12/20/2000. Reuters/Adrees Latif

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America's Farmer in Chief

Shortly before she left Washington last month to spend the Christmas break at her home in Modesto, U.S. Secretary of Agriculture Ann M. Veneman spoke with *California Journal* Editor David Lesher. The discussion covered a range of topics important to California, starting with the recent announcement of an interna tional Conference on Agriculture Science Technology to be held in Sacramento June 23-25. More than 180 nations have been invited. Veneman, who was raised on a California farm and served as the state's agriculture chief under former Governor Pete Wilson, also spoke about her recent experience with breast cancer, which she disclosed last September. And she provided brief updates about homeland security issues, the state of California farms and an ambitious U.S. trade proposal announced last summer that aims to reduce the global average for agricultural tariffs from 62 percent to about 15 percent, slightly more than the current U.S. level.

Q: What is the agriculture technology conference your department is planning to hold in Sacramento this June?

A: If you take a look at my speech ... from the World Food Summit [in Rome last June], one of the things that I said there was that the U.S. would hold a major technology conference for [foreign] ministers of agriculture and science and technology to look at the promise of technology for agriculture, particularly, not exclusively, with a focus on the developing world and how we might assist the developing world with some of their needs. Things like new kinds of biotechnology crops that might help drought resistance, that could be an area. ... We plan to hold a trade show along with it. One of the reasons that my staff recommended that we choose Sacramento is the proximity to a lot of innovative agriculture, both through UC Davis and some of the technology companies that are doing work in that area [as well as] the diversity of agriculture in California.

Q: Have there been conferences like this before?

A: No, this is a brand new concept. ... So we're going to try to bring a lot of the developing countries into it. We are looking at it as a major initiative.

Q: What do you mean in terms of agriculture technology? Is that seeds and pesticide and fertilizer or is it machinery?

A: It's technology in terms of everything from information technology — we are doing a lot with mapping and geographic information systems and satellite technology — to biotechnology and new crops. [It's] the ability to address things like Vitamin A enriched rice. [That] is a biotechnology that could help the developing world. ... There are a lot of new technologies that allow you to look at genetic makeup and come up with better crop varieties that will help in certain areas. There is just so much technology that is impacting agriculture today. Another kind of technology ... [involves] one of the biggest issues that's going to face agriculture globally [and] one that we've faced in California for a number of years — and that is water quantity. There are so many technologies on irrigation and water conservation and that kind of thing.

Q: And the goal or the ambition is to address global hunger?

A: It is not the sole objective. It is to create a greater understanding of the role of technology in agriculture and the promise for some of these new technologies and how they may impact agriculture. But there is a focus on the hungriest areas — how we can adapt new technologies to particular areas of the world where people are very hungry.

Q: Regarding homeland security, how will that issue

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Ann Veneman talks with President Bush in the Oval Office about the effort to control the spread of foot and mouth disease in the United States. Reuters/Win McNamee, 4/4/02.

and the new government department for homeland security affect the Department of Agriculture?

A: We've been very involved in homeland security. [In 2001], you could see what happened with foot and mouth disease. Not long after we came into office you saw all of these devastating pictures [of dead cattle] from England. And when you think about homeland security and possible threats to food and agriculture, one of the most serious concerns is something like foot and mouth disease, a very fast spreading disease that could be intentionally introduced into our livestock populations and potentially have a huge economic impact. Now foot and mouth is not a food safety issue per se. ... We're looking at all areas of the food system [and] what should farmers be watching for. A lot of farmers now, if you look at these big dairies we have in California, they're much more careful about who comes on their farms. ... Then on the processing side, you know many of these processing plants are using more in-plant cameras to look at what's going on, make sure nothing is going awry. But we've dealt with tampering in the food system, and we've dealt with food safety recalls and that kind of thing. I have confidence that throughout the food system, we are able to react pretty quickly. I don't see a huge widespread food safety introduction of some sort that we wouldn't catch pretty well in the system that we have.

Q: Will this safety function remain under the Department of Agriculture or will it move to the new Homeland Security Department?

A: Part of our inspection force will move to the Department of Homeland Security. The part on the border. When you [enter the country and] check your box on your customs card that asks, 'Do you have any plants or food that you are bringing in?' The agriculture inspectors who talk to you if you do — those are the people that are moving to the Department of Homeland Security from our department. But we will continue to have a very strong role in overseeing the integrity of the animal and plant health and food safety.

Q: Regarding trade, last July you outlined an ambitious proposal to the World Trade Organization intended to level the playing field for world farmers. What's at stake for farmers, particularly in California?

A: Obviously, California grows a tremendous number of crops, many of which are dependent on the export market. More access means more markets and more marketing opportunities. A lot of this is getting more access to markets by lowering tariffs and reducing market barriers around the world. That's good for California. And California has a particular advantage in that it's so close to the Pacific Rim; it's sort of the gateway to the Pacific Rim and a lot of

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Ann Veneman buying a Japanese lunch box, "bento," containing California-grown rice at a Tokyo train station while in Japan for a meeting of agriculture ministers from Pacific Rim countries. Reuters/Kimimasa Mayama, 7/25/2002.

the very strong export markets. We are continuing to find both of our North American partners are very strong export markets for U.S. agricultural products. So I think California is well positioned to take advantage of new market opportunities abroad.

Q: There are some concerns, of course, about free trade being a "two way street" in which some of the same crops grown in California could be produced cheaper elsewhere. Are you confident that the open markets would be a gain for U.S. farmers?

A: The thing is, our market is already so open compared to many other markets. The average tariff on food and agricultural products in the U.S. is about 12 percent. Around the world it is 62 percent. So if we can bring that average tariff around the world down, who is going to benefit? We are, from the access we are going to have around the world. Others already have a lot of access to this market because we have a relatively open market.

Q: Another concern is that major food producers now operating here will go overseas if they can find fewer regulations, cheaper labor and other cost savings.

A: There is more of a globalization of the food companies. ... I've talked to people who are doing business in both California and Mexico, for example, or California and, you know, Latin America. And even though the labor may be a little cheaper, the infrastructure is so much less developed that the cost of producing and getting [the food] to market is not that much different. ... I also know a lot of Californians that are growing in Chile so they can have year-round product to satisfy the markets they've developed. ... So it's a compliment to what's being done here.

Q: California farmers are facing a lot of pressure today from labor issues, land costs, water availability and other issues. How do you think they are doing?

A: Water availability is a tremendous issue and the cost of water. But one of the things we are seeing in California as water and land become more expensive, certain crops are going out of production and higher value crops are coming in. For example, you are seeing a huge increase, especially in Southern California, a huge increase in the nursery flowers. Very high value. There are more and more niche markets that are developing. There are ... small acreage farmers that are selling either directly to farmers markets or they're selling directly to restaurants. What you see is a real diversity of people looking at different opportunities and while some of the traditional agriculture may be making a shift, so is some of the niche marketing. People in California and agriculture are very innovative. Sometimes we tend to lump everyone together as one kind of agriculture, and there are so many different kinds of agriculture in California.

Q: How is your health?

A: I'm doing pretty well. I went through all of my [radiation] treatments and I finished [Dec. 4]. And I mean, I've come through this reasonably well. I went through this with every expectation that it was just something I had to get through. I mean the radiation kind of brought me down a little bit. I got kind of tired, but I never missed any work. Of course I haven't traveled because I was going every day. But it's kind of nice to be home for a while.

Q: What's next?

A: I have follow-up doctor appointments for them to see how I'm doing, but I'm pretty much done.

Comments may be sent to **edit@statenet.com.**

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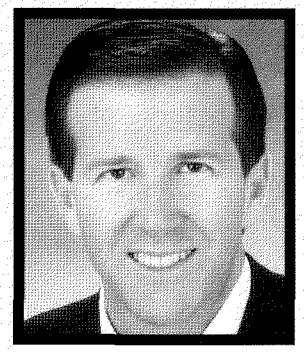
OUTLOOK FOR THE NEW SESSION

The *California Journal* asked state legislators what the biggest challenges and opportunities would be in the upcoming legislative session. Not surprisingly, they said the projected budget deficit would top the priority list — and that was *before* Governor Davis raised the estimated shortfall on December 18 from $21 billion to $35 billion. Amid the political mess, however, some see opportunities for long-term reform.

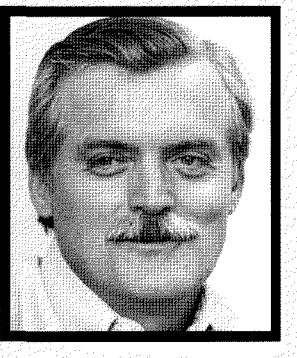


Assemblyman John Campbell, R-Irvine

Challenge: First, there's the budget. Twenty-one billion is a big hole. There's also a political challenge. I just don't think Democrats will go for cuts in some programs, and I don't think Republicans will buy into tax increases. But Democrats are pretty used to getting their own way on things around here and this year, that's just not going to happen.

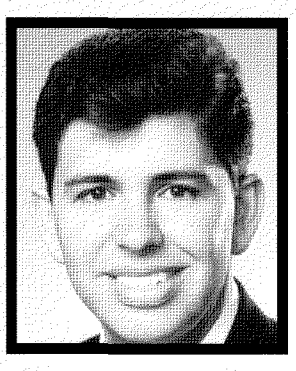
Opportunity: The broader opportunity is for structural budget reform. There's a difference between Democrats and Republicans on what that reform should be, but both sides are looking at this mess and saying we need to do something. Republicans are interested in a constitutional amendment on spending limits, while the Democrats would like a simple majority budget.

Senator Wes Chesbro, D-Arcata



Challenge: The biggest challenge this year is the size of the budget deficit and the constitutional challenge that brings. Getting a two-thirds vote on a budget this year is going to put the Legislature and the governor to the test. The solution to the problem lies in between what the two parties want. It's hard to imagine getting to a $21 billion solution without some added revenue streams along with cuts.

Opportunity: A bad financial year is a good time to reduce the burden on local governments and local agencies. One of my goals this year as budget chair is to focus on the lack of investment in preventative programs like children's mental health and drug treatment policy and find out how much that lack of investment costs us in the long run.

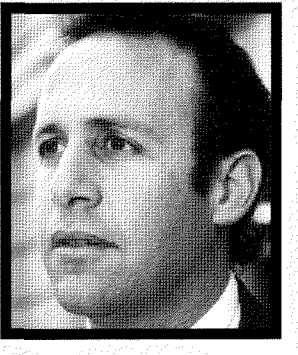


Assemblyman Abel Maldonado, R-Santa Maria

Challenge: There's no secret that that biggest problem we face is the budget. I'm committed to cut this deficit without raising taxes. It's just going to be hard. We're going to have to look to the departments. They should tell us where the wasteful spending is and what should be cut. We have to come up with some creative ideas.

Opportunity: The positive thing is that there is no election this year. Hopefully, that'll mean both sides will get together and talk. Another positive is that we've had to identify wasteful spending for some time. There are places that I don't want to be cut and, of course, people will be hurt, but we have a problem here and tough times call for tough decisions.

Assemblyman Darrell Steinberg, D-Sacramento



Challenge: The budget will dominate the year, as it should—we face a major challenge this session. The Democrats—who support many of the spending programs—are saying that that they know that we need to have cuts. But many Republicans sound like they are unwilling to increase revenue streams. There needs to be a balance.

Opportunity: In crisis there is also opportunity. The state is overly reliant on personal income taxes and local governments are too reliant on sales taxes. So the focus, in the immediate term, will be on cuts and taxes, but it should be on restructuring and realignment as well.

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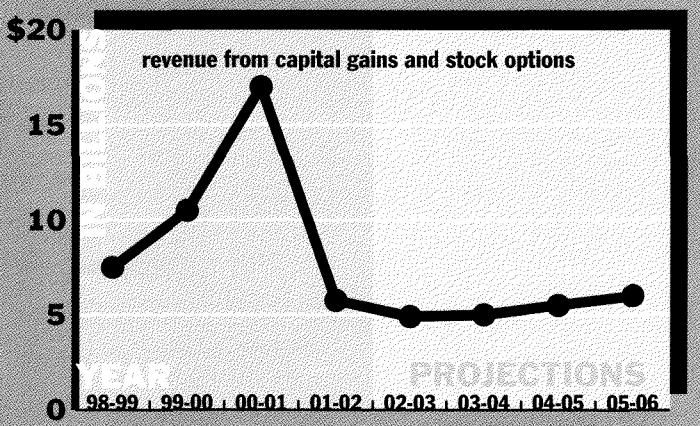
THE BUDGET PUZZLE

As if the 2002 election weren't depressing enough, the year ended with Sacramento reeling in crisis over an historic budget deficit. In early December, estimates of a $21 billion shortfall prompted Governor Davis to order a special session to consider $10.2 billion in immediate, mid-year budget cuts. But after meeting briefly, the Legislature recessed until Jan. 6. Democratic leaders said they'd wait to see the complete 2003-04 budget proposal that Davis will release January 10. On December 18, Davis sounded another alarm by estimating the shortfall will actually reach $34.8 billion, more than every state budget in the nation except New York and a hole measuring 45% of California's $78 billion general fund. Republicans said Davis inflated the figure to get tax increases and they promised more estimates to come. But partisan bickering indicated the big job ahead was off to a rough start. Davis' finance director, Tim Gage, also said he'll leave in January and be replaced by ex-state Senator Steve Peace.

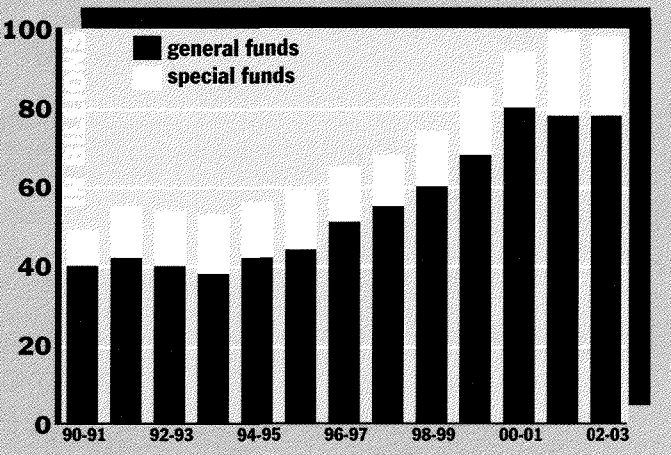


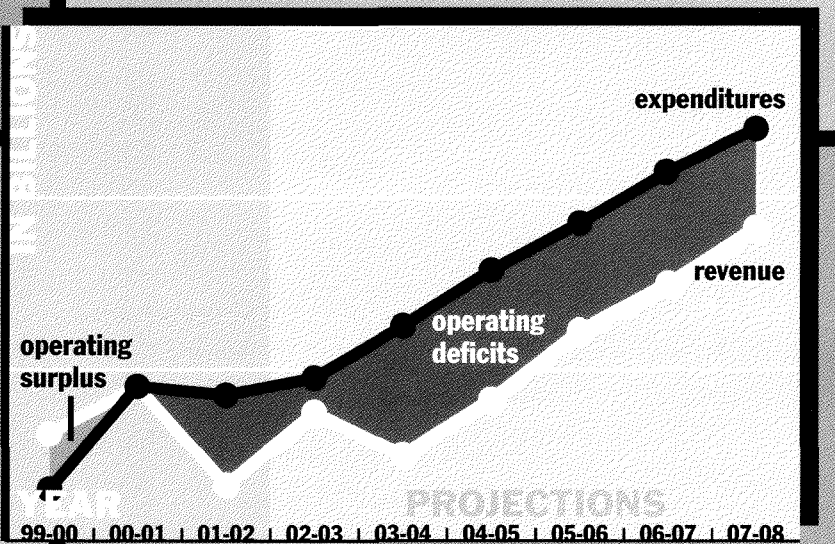
No more golden goose

It's no secret by now that, for the most part, what got California into this mess was the stock market collapse in 2000-2001. However, even as late as January 2002 the administration was projecting "only" a 45 percent dip in revenues from capital gains and stock options from 2000 to 2001 and a 12.5 percent gain in 2002 from 2001. What actually happened was that taxes from capital gains and stock options declined by 66 percent in 2001-2002, according to the Legislative Analyst's Office.

We just kept spending

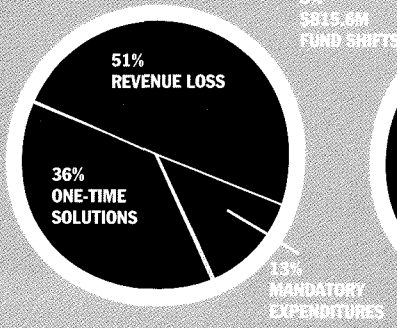
California lawmakers rode the wave of the 90s prosperity to all-time budget highs at the start of the new century. The size of the general fund doubled in only 10 years.



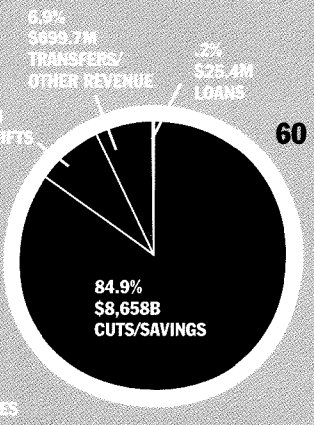


The governor's first whack

The pie on the left illustrates the cause of the $35 billion deficit the governor projected on Dec. 18. It's a combination of a shortage in tax revenue as well as mandatory cost increases and decisions to resolve the 2002 budget deficit. The second pie represents the $10.2 billion in immediate, mid-year cuts that the governor proposed to reduce the deficit. Davis' biggest proposed cuts were included $3 billion from education and $2 billion from the Health and Human Services Agency.



$35 BILLION DEFICIT BREAKDOWN



DAVIS PROPOSED $10.2 BILLION IN CUTS

Red ink, as far as the eye can see

Far from being a simple, short-term problem, the budget deficit is projected to be an institutional fact of life for the next several years. A thriving economy and healthly stock market have masked the problems until now. (Note, this chart was prepared before the estimated 03-04 deficit was raised from $21 billion to $35 billion).

Graph Sources: California Legislative Analyst's Office, California Governor's Office

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Voters nostalgic for a good

California voters want candidate speeches, call-in shows and town-hall forums, not the slick and efficient targeting strategies employed by modern candidates. A survey in the closing days of the race for governor reveals a frustrated electorate that is ready for change.

Political reformers in California — the ones who argue that something is terribly wrong with campaigns and elections in the state — turned out to be the most prescient pundits of the November election. Their view that the voting process is seriously off-track was bolstered by these startling facts: Major party candidates for governor spent a record-setting $100 million campaigning in 2002, and yet there was a record-low voter turnout in both the primary and general elections.

Indeed, California voters may be headed for the endangered species list if current trends persist. Twenty years ago, seven in 10 registered voters and half of the eligible adults voted. This past November, half of the registered voters and about one in three eligible adults showed up at the polls. California gained 10 million residents in the past two decades, but fewer people are voting today. Those who chalk up the state's poor voting performance to national trends will have to find other excuses: California finished close to the bottom of the heap in a fall 50-state comparison of election turnout.

Many observers have focused the blame on the charisma-challenged personalities of Democratic Governor Gray Davis and GOP challenger Bill Simon. Certainly, every pre-

By Mark Baldassare, Bruce Cain and Jonathan Cohen

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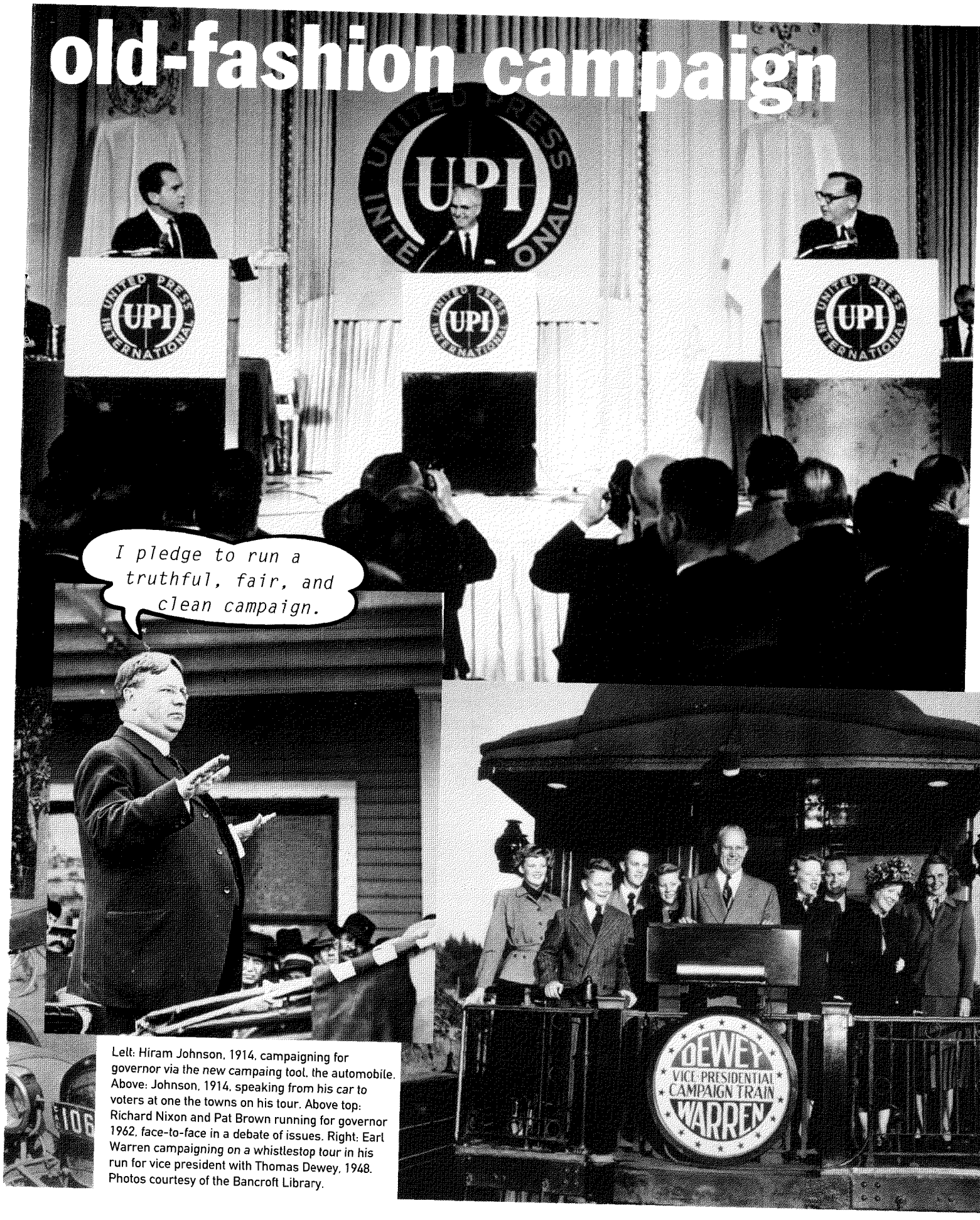
old-fashion campaign



Left: Hiram Johnson, 1914, campaigning for governor via the new campaing tool, the automobile. Above: Johnson, 1914, speaking from his car to voters at one the towns on his tour. Above top: Richard Nixon and Pat Brown running for governor 1962, face-to-face in a debate of issues. Right: Earl Warren campaigning on a whistlestop tour in his run for vice president with Thomas Dewey, 1948. Photos courtesy of the Bancroft Library.

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election survey found that most voters did not like either of these candidates. But a Public Policy Institute of California Statewide Survey funded by the Pew Charitable Trusts and conducted in the week leading up to the general election shed a different light on the issue: The fact is that there is a basic disconnect between what the voters want and what they are getting from California campaigns today. State residents are much more inclined to say that campaigns in California have gotten worse, rather than better, in the past 10 years.

Should the candidates care what voters think of their tactics? Only if they want to win, and govern, successfully. Most Californians told us that they make their decision about how to vote based on how campaigns are run, and six in 10 adults said that the way that Simon and Davis ran their campaigns affected their opinion of them.

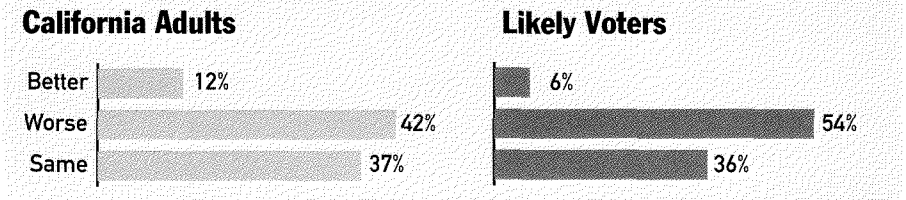
The outcome? Californians showed their displeasure with both the Davis *and* Simon campaigns this fall by voting with their feet: They walked right past the polls on November 5th.

Before we take a look at what voters think is wrong with the election process, and how they want to fix it, let's dispel the myth that Californians are too busy to pay attention to politics and that they don't care about elections. We've all heard the argument, the one that says it's the voters' faults that elections and political participation have fallen out of favor. But in the same PPIC/Pew survey just before the November election, we discovered that nine in 10 Californians had developed an opinion of both Simon and Davis, seven in 10 adults expressed at least a fair amount of interest in politics, and six in 10 Californians were very closely or fairly closely following the election news about the governor's race. In fact, the survey revealed that those who have higher interest and more information about campaigns and candidates are more likely to think that things have gotten worse than those with little interest or information. In other words, the current state of affairs bothers those in the know more than those who are not. *Californians were not tuned out in* November — they were simply turned off: For many, *not* voting is the preferred form of political expression.

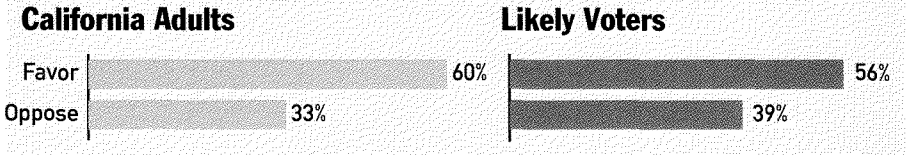
From these same cynical voters, can we find the path to a more engaged California citizenry? Voters provide a pretty clear road map if the political parties care to look. At the top of voters' list of campaign complaints is too much reliance on television commercials. While three in four Californians had seen the Davis and Simon spots by the end of the election season, less than one in 10 found these commercials to be "very helpful" in deciding which candidate to vote for. Many Californians say these commercials played no significant role in their choices, yet most of the dollars spent on California campaigns go to 30-second television spots targeted to influence "swing voters." Our analysis

Campaign Conduct

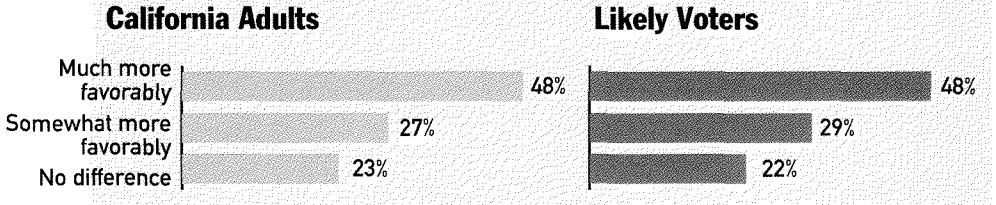
"In terms of ethics and values, do you think that election campaigns in California have gotten better in the last 10 years, gotten worse or stayed the same?"



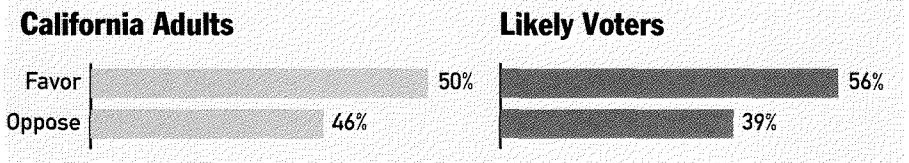
"Would you favor or oppose an initiative that required candidates for governor to participate in a minimum of five prime-time, publicly broadcast debates?"



"If a candidate signed a campaign code of conduct pledging to run a truthful, fair, and clean campaign, would this make you view him or her much more favorably, somewhat more favorably or would it make no difference to you?



"Would you favor or oppose having a system of public funding for state and legislative campaigns in California even if it cost taxpayers a few dollars a year to fund?"



Source: PPIC Statewide Survey: Special Survey on Campaign Practices directed by Mark Baldassare in collaboration with the UC Berkeley Institute of Governmental Studies and funded by the Pew Charitable Trusts. The survey of 2,000 California adults was conducted from October 28 to November 4, 2002 and has an error margin of +/- 2% for all adults.

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finds ample evidence that the Davis attack ads hurt Simon and that the Simon attack ads harmed Davis. But this flurry of punches and counterpunches seems to have done its greatest damage to voter turnout on Election Day. For many Californians in 2002, the candidates' commercials were seen as a reason not to vote at all.

Indeed, Californians have grown tired of the constant mudslinging that takes place in campaigns today. While negative ads win races, they also make the public think less of the winners, the losers, and of political participation itself. The majority of likely voters think that the ethics and values in election campaigns have gotten worse in recent years. As a result, codes of conduct are a popular idea. Three in four Californians say they would look more favorably on a candidate who signed a campaign code of conduct pledging to run a truthful, fair and clean campaign. Six in 10 voters would look more favorably on candidates if they signed of code of conduct pledging not to use race, gender, religion, sexual orientation or age as a basis for attacks. In other words, the voters would prefer candidates to focus on issues rather than take aim at each other.

What would the voters like to see taking the place of commercials? Two in three Californians told us the past election would have been better if the candidates for governor had held more debates. Apparently, the sole lunchtime debate in the most recent governor's race did little but whet voters' appetites for discourse on policy issues. In fact, most Democrats, Republicans and independent voters felt so strongly about the importance of debates that solid majorities in each group favor an initiative requiring a minimum of five prime-time publicly broadcast debates.

Beyond the high drama that is provided by candidates facing off in debates, Californians are also yearning for the kinds of old-fashioned campaigns that the vast array of political consultants say can't be done anymore in our state. Large numbers of voters told us that they prefer to hear the candidates communicate their messages through speeches, call-in shows and town hall meetings. Fewer say they want to receive more mailers from the candidates. Stump speeches may not draw big crowds everywhere, but they give voters the sense that there is an exchange of ideas taking place between candidates and voters.

Indeed, the major purpose of political campaigning is very different from the voters' perspective than it is for the candidates and their paid staffs. Though winning may be everything to political consultants, it is not number one on the voter's list of what a campaign is all about. More than half of Californians think that the focus of campaigns should be on informing the voters about the candidates' stands on the issues — and informing the candidates about the voters' opinions — a dialogue that rarely occurs today.

How do voters feel about the professional campaigns that are now the standard fare in California elections? Again, many seem to long for the good-old days of retail politics. Nearly six in 10 Californians say they would look more favorably on candidates if their campaigns relied mostly on volunteers. Far fewer look favorably on the candidates who rely mostly on television ads to get the message out. Realistic or not in this electronic age, there is clearly a deep appreciation for the tradition of using armies of genuine followers to persuade the undecided or uninspired.

Interestingly, most voters accept the idea that candidates take polls today to test the temperature of voters on issues, and may even use polls to define their own positions. What the pundits may call "poll-driven" choices, the voters see as responsiveness to the electorate. Voters are more troubled by the campaign practice of focusing on the narrow slice of high propensity voters in the electorate to the exclusion of almost everyone else. Nearly half said it was not ethical for candidates to use their resources to contact only registered voters, because it means that people who aren't registered to vote will receive less information and will be less encouraged to participate.

A lot of the public's disillusionment with political campaigns stems not only from *how* money is used, but from *where* the money for candidates comes from. Californians believe that campaign donations buy undue influence, and they don't like the fact that money can compromise the ways that politicians go about making public policies after they are elected. Election reforms have often been stymied by a lack of voter support for public financing of campaigns, but that may be changing. When asked how candidates should pay for their campaigns, 30 percent said they would rather see candidates using public money set aside to pay for elections, rather than candidates using their own money or using money they collect from their supporters. Surprisingly, half of the likely voters say they would favor a system of public funding for state and legislative campaigns in California even if it cost each taxpayer a few dollars a year to fund such a program.

A willingness on the part of so many of the voters to commit their tax dollars to campaigns points to the fact that the public sees election reform as an urgent issue. The largest and most politically influential state in the nation should not be finishing near the bottom in voter turnout. Moreover, California's unique brand of democracy — which relies on both representative government and the initiative process to make major public policy decisions — is based on high participation and an electorate that reflects the state's diversity. California had neither in the last election. A small proportion of the voters who reflect the views of white, affluent, and older residents will be calling the shots until a larger and broader cross section of the populace can be coaxed into the voting booth.

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A new chief

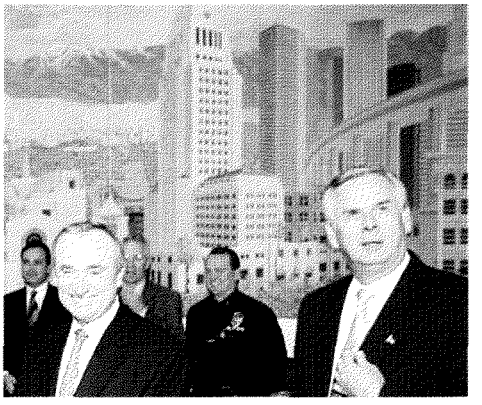
by Sherry Bebitch Jeffe

During his tenure as New York's police commissioner, William J. Bratton earned the sobriquet "Broadway Bill" for his hobnobbing with Manhattan's elite at Elaine's and other A-list venues.

Just a couple of months into his term as chief of police in Los Angeles, Bratton has been dubbed "Hollywood Bill"; he's already whirling around L.A.'s glitzy social circles.

Marring his debut, however, is a spate of homicides that threatens to make L.A. the crime capital of the nation. Bratton may have easily made the transition from Manhattan to L.A. society but, with a crime wave haunting his new home town, will his New York City approach to law enforcement translate to L.A. policing?

Throughout his career Bratton has adhered to the "Broken Windows" theory of attacking crime. It posits that "just as unrepaired broken windows can signal ... that nobody cares about a building and lead to more serious vandalism, untended disorderly behavior can also signal that nobody cares about the community and lead to more serious crime." The focus of Bratton and then-New York Mayor Rudy Giuliani on so-called "quality of life" crimes—such as graffiti, boom boxes, public drunkenness and prostitution—was credited with helping to decrease crime dramatically.



William Bratton, with Hahn at right, at his swearing-in ceremony, October 25, 2002. Reuters photo by Pool

Bratton is intent on applying that approach in L. A. Sweeps of the homeless have begun on Skid Row. An anti-graffiti campaign is under way.

Now Bratton has been forced to shift his focus. During November, Los Angeles was rocked by nearly two dozen killings, mostly in South Central. No time to repair broken windows.

Bratton has applied another "broken windows" tenet to this new round of L.A. gang violence: Cops "must rely on citizens for legitimacy and assistance. Get angry," he demanded of Angelenos. Well... New Yorkers appear to have been born angry. "Angry" is what laid-back Angelenos get when they're cut off on the freeway.

And unlike compact NYC, L.A. is spread out; it is a highly segregated city. As long as the killing remains largely contained within the urban core, citywide attention will not mobilized.

In the wake of the defeat of secession in San Fernando Valley and Hollywood, there has been increasing talk of dividing the City of Los Angeles into governmental boroughs. Bratton's "borough staffing" approach to combating NYC crime — taking "the city back borough by borough"— might provide a complementary, and effective, organizational tool for the LAPD. Pile cops into the "bad areas" and clean up targeted neighborhoods, then shift some of that massive police presence to beef up in other high crime locations.

Bratton has already begun implementing that deployment strategy, moving personnel to South Central to target the area's most dangerous streets and gangs. But in New York, Bratton had a force of nearly 40,000 police officers to deploy—or one cop for every 200 residents. LAPD has only about 9000 cops, one for every 400 Angelenos, and Los Angeles police have a much larger area to patrol.

Bratton credits COMSTAT, a crime-fighting program that uses computer mapping to pinpoint high crime areas and then requires precinct commanders to offer solutions, with revolutionizing New York's policing and lowering crime. He's begun to dismantle L.A.'s clunky and inefficient computer system, FASTRAC, and is replacing it with his favored COMSTAT. Such reform could prove important both to strengthening the LAPD and to fulfilling the federal consent decree imposed on LAPD for civil rights violations.

Two other elements of Bratton's New York style should prove valuable to his tenure as L.A.'s top cop. The first is media savvy. Bratton knows how to work a press conference; he writes of using "the media to deliver our message." In a city as vast as Los Angeles, that's the loudest bullhorn available to law enforcement.

The second is his instinct for reform, for shaking out the cobwebs and corruption embedded in police culture. That's why L.A. Mayor James Hahn hired him.

Bratton has a monstrous challenge before him. Like the song says about his old stomping ground: "If you can make it here, you can make it anywhere. It's up to you," L.A., L.A.

Sherry Bebitch Jeffe is a senior scholar at USC's School of Policy, Planning & Development. Comments may be sent to **edit@statenet.com.**

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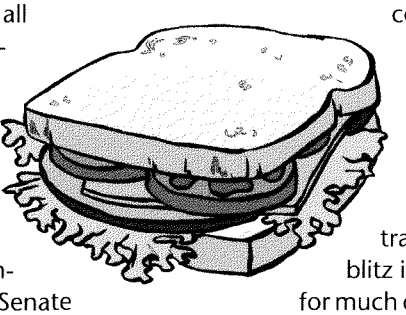
The American sandwich

by Marc Sandalow

Take a look at who's running the show in Washington. At the White House, you've got a Texan and a man from Wyoming. In the Senate, the majority leaders hail from Mississippi and Kentucky. In the House, it's Illinois, Texas and Missouri.

Sounds reasonable for a NCAA basketball final, but when it comes to governing the world's most powerful nation, there is a notable absence from the most populous state. In the ruling party, you've got to go down to the number five spot in the House leadership — chairman of the Republican Policy Committee — to find a Californian, Rep. Chris Cox (R-Newport Beach).

It is not a happy coincidence, no matter what your political leanings, that California is at its Democratic zenith at precisely the moment when the federal government has reached a new Republican peak. The November election only widened the gap. As Republicans nationwide made historic gains, Democrats swept all statewide offices in California. Republican victories in Maryland and Hawaii left California as the only state in the nation where the governor, Lt. Governor, both senators and both houses of the legislature are held by Democrats. Meanwhile Republicans control the White House, House and Senate for only the second time since 1954.



The very priorities that keep California such a Democratic stronghold — a commitment to the environment, diversity, abortion rights and gun control — are non-starters in the nation's Capitol. And congressional leaders talk about California like it is the crust of a ham sandwich. Really.

Senator Trent Lott (R-Mississippi), talking just before Thanksgiving about an expected GOP push for conservative measures like limiting abortions, promoting abstinence and school prayer, declared that "the only places where these ideas are considered bad are on the two coasts. Where the meat is in the sandwich — the rest of America — these are pretty mainstream ideas."

The words of Trent Lott, who at this writing is fighting for his political survival based on remarks regarding Strom Thurmond, are not to be taken as gospel. But when the man preparing to take over as Senate majority leader dismisses the most populous state in the union as sandwich bread, it is time to take stock of California's standing.

Not that the ABC rule of federal spending (anybody but California) feared by state bean counters will grow worse. For to the big ticket appropriation measures — the reauthorization of the five-year transportation bill, spending on Medicaid, energy and education — California has people in place to look out for the state's interests.

The presence of Californians like Transportation Secretary Norm Mineta and Agriculture Secretary Ann Veneman, the power of Southern California Committee chairmen like Reps. Bill Thomas and David Dreier, and the rise of San Francisco Rep. Nancy Pelosi as the House minority leader will protect against financial retribution.

Yet California's input would look vastly different in a Democratic world.

In the House, Pelosi would probably be speaker (or Dick Gephardt's majority leader.) The Northern California delegation would be running foreign relations (Rep. Tom Lantos), education (Rep. George Miller) and Medicare panels (Rep. Pete Stark), while Rep. Henry Waxman would have the House investigative apparatus under his control.

At a similar point in his presidency, Bill Clinton had already been to California enough to be dubbed the ""governor-in-chief." Al Gore has even closer California connections. By contrast, Bush's whirlwind campaign blitz in the mid-term election, credited for much of the GOP gains, last brought him to California in August, nearly three months before the vote.

GOP enthusiasts on the coast, like strategist Ken Khachigian, argue that the White House will look at Gov. Gray Davis' narrow victory over an admittedly unpolished candidate and conclude that it has a real chance turn things around in 2004. In two years, Democratic Sen. Barbara Boxer will be seeking re-election, and Bush will be eyeing the state's 55 electoral votes as a way to put a Democratic victory completely out of reach. But those who have met with White House staff in private meetings say the political minds there do not brandish any false illusions about capturing the state's mother lode of electoral votes, let alone knocking off the two-term senator.

Many Californians look with wonder at the GOP dominance in Washington, and dismiss the capital as a political wasteland. For many Republicans in Washington looking west, the feeling is mutual.

Contributing Editor Marc Sandalow is Washington, D.C., bureau chief for the San Francisco Chronicle. *Comments may be sent to* **edit@statenet.com.**

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Now what?

Nancy Pelosi's election as the top Democratic leader in the House made history for women and won new power for California. But as she takes over a listless party, the buzz on Pelosi is that she'll have to put aside her solid liberal roots. Will she?

By Marc Sandalow

Nancy Pelosi doesn't drink coffee with caffeine. She doesn't need it. But on this particular autumn morning she has downed a Starbucks Chocolate Brownie Frappucino and is beginning to doubt they served her decaf.

"Whoa," she says, flipping open a compact as her rented van powers up a mountainside on its way to a campaign event for two congressional candidates from Colorado. "I'll be bouncing off the walls."

As if anyone would notice a difference.

On this weekend, she would fly 3,678 miles, travel 14 hours in vans, shake more than 600 hands, visit six congressional districts, raise more than $50,000 for fellow Democrats and visit three of her grandchildren.

"I haven't quite figured out when it is that you sleep," says Andrew Wittman, the Capitol police officer in charge of Pelosi's security detail, who is himself in search of a "tankard of caffeine."

To understand why Nancy Pelosi, 62, was chosen by her colleagues last November to be the top-ranking Democrat in the House, look beyond her near-perfect liberal voting record, her unwavering support for social spending, or her ideologically predictable San Francisco district.

Focus instead on Pelosi's efforts on behalf of fellow House Democrats (she's visited 90 congressional districts in 30 states in the past year); her fund-raising success ($8 million raised during the last election cycle); and her party's record in California (Democrats swept the five most competitive races over the past two years.)

As House Democrats enter their ninth year as the minority party, what has made Pelosi most attractive to her colleagues has less to do with ideology than a pragmatic calculation over who is most likely to deliver them back to the majority.

"She is politically savvy and works harder than probably anyone in the House of Representatives," said Representative Max Sandlin, a conservative Texas Democrat whose views on guns and abortion would make him an outcast in Pelosi's San Francisco district. "She has been singularly focused on taking back the House for Democrats."

Pelosi is typically up by 5:30 a.m. and frustrated when her papers haven't arrived. "I keep checking, checking, checking," she complained. Fueled by chocolate bars and an insatiable appetite for House politics, she is able to spout information on scores of congressional elections around the country, often personally familiar with the candidate or the local party chair.

"There are people in government and there are people in politics," explained California state Senate President pro Tempore John Burton (D-San Francisco), whose late brother Phil once represented the same House district as Pelosi. "Nancy Pelosi cut her teeth in politics. It's something that is bred in her. How did this woman get elected overwhelmingly as whip? How did she get the votes in two days to [become Democratic leader]? Because she is in politics. She understands what it takes to win."

Adds former Vice President Al Gore: "Whoever criticizes Nancy Pelosi for simply being [too liberal] is going to have to eat their words."

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Nancy Pelosi at a San Francisco press conference announcing that she had enough commitments from colleagues to be elected House minority leader. Photo: Reuters/Lon Dematteis, 11/8/2002.

Latte Liberal

Despite her new position as perhaps the most powerful woman in American politics, Pelosi remains relatively unknown outside her 8th Congressional District centered on the tip of the San Francisco Peninsula.

Her picture made the cover of *Parade* magazine last year for a story speculating about the first female president. She has appeared on Sunday talk shows more often than all but a few House members. She was honored as a "Woman of the Year" by both *Glamour* and *Ms.* magazines, and has been featured in *Time, Newsweek, Women's Wear Daily* and *Elle*.

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Still, her lack of recognition outside the Bay Area has allowed Republican opponents and conservative pundits to try to shape a menacing image. While Republican Speaker Dennis Hastert of Illinois and Pelosi's Democratic predecessor Dick Gephardt of Missouri hail from the heartland, Pelosi's left coast home evokes stereotypes too powerful for her critics to ignore.

Only days after her election, Pelosi's liberal reputation was targeted in a hotly contested runoff campaign for U.S. Senate in Louisiana when Republicans broadcast a television ad suggesting the Democratic candidate was too liberal because she accepted a $10,000 contribution from Pelosi.

"Latte liberal," screams the conservative *National Review*. "About as San Francisco as you can get without digging up Jerry Garcia," explained the *Australian Financial Review* to its readers halfway across the globe.

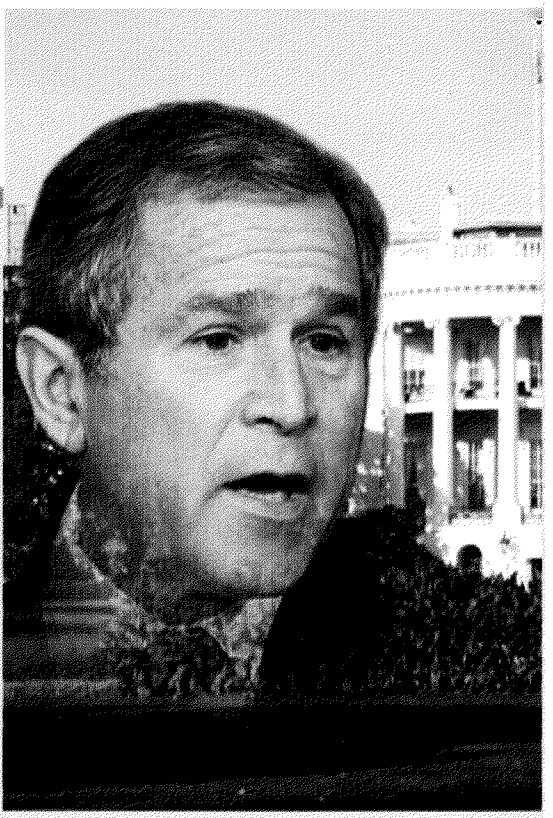
"Are the Democrats about to go insane?" begins a feature on Pelosi in the latest edition of the *Weekly Standard*, a popular journal among conservatives.

Pelosi is the scion of an East Coast political family, a mother of five, a California political operative for a decade and a member of Congress for 15 years. But she is most typically described by three words: "San Francisco liberal."

It is a description that is irrefutable based on Pelosi's home address and voting record.

Pelosi is a pro-choice, pro-environment, anti-gun, pro-labor Democrat who has consistently fought tax cuts while pushing for more spending on AIDS, education and health care for the poor. Back home, the alternative weekly *Bay Guardian* has criticized Pelosi for rejecting plans to permit low- cost housing in San Francisco's Presidio (and for being a part of the "Burton Machine.") But during her 15 years in Congress, there is not a single vote of significance where she has disappointed the left.

"I pride myself in being called a liberal," Pelosi said in a 1996 interview, a characterization



Does Nancy get a nickname?

The political distance between George Bush and Nancy Pelosi is huge. But will politics or personal charm guide their new relationship?

By Carl M. Cannon

In *Journeys with George*, the campy HBO documentary chronicling life aboard the 2000 George W. Bush campaign plane, NBC producer-turned-indy filmmaker Alexandra Pelosi acknowledges that her congressman grandfather was a New Deal Democrat and that her mother Nancy Pelosi, also a liberal congresswoman, once admonished her to have nothing to do with two types of people: reporters and Republicans.

Two years after the fact — that is to say, two years after the 2000 election — there is also an unintended irony in Nancy Pelosi's motherly advice. As the Democrats' new House minority leader, Pelosi will be spending an inordinate amount of her own time selling her party to the media and dealing with a Republican White House on legislation ranging from the budget to war.

The question in Washington is how she will go about it.

After 40 years in power, the Democrats lost the House in 1994. In four succeeding elections, they have failed to recapture it. It may be unrealistic, even ahistorical, to expect the House minority leader to shape his (or her) party in a way that causes it to win enough seats nationally to form a majority. But that is part of the game now.

It may be even more unrealistic to expect the opposition leader in the House to give as good as she gets in the ongoing legislative and rhetorical struggles with the White House. But that, too, is part of the job description these days. In this task, she can go one of two ways. The first, the approach personified by the most recent incarnation of Al Gore, is simply to resist Bush at every turn. In this scenario, Pelosi would forsake any pretext of actually negotiating with the White House on the intricacies of policy leg-

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she has updated only slightly to reflect her new role as the party leader.

"I don't think they chose me as an outspoken liberal," Pelosi said of her rise to the top of the Democratic hierarchy. "I think they chose me as a person who can lead the caucus to victory."

It has not gone without notice that California's closest elections have all gone Democratic in recent years. In 2000, Adam Schiff, Susan Davis, Jane Harman and Mike Honda all picked up congressional seats held by Republicans. Last November, the only closely contested California congressional race was for the seat being vacated by Gary Condit, which was easily won by Democrat Dennis Cardoza. Pelosi played an active role in the California races, recruiting candidates, raising money and campaigning in each of the districts. Democrats are hoping she will bring her West Coast offense to the national party.

Political Start

Pelosi's effort to win elections for Democrats began nearly six decades ago when Nancy D'Alesandro licked envelopes and stuffed leaflets on behalf of her father. Thomas D'Alesandro served four terms in the House, ending in 1947 when he went on to serve three terms as mayor of Baltimore.

Shortly after arriving in San Francisco with her husband, Paul, in 1969, Pelosi threw herself into Democratic causes, even as she raised five children, all born within a six-year span. She was an operative long before she was a politician.

Her youngest daughter, Alexandra, recalls a lasting image of her mother standing at the ironing board with a phone wedged in the crook of her neck, talking about an election somewhere and how Democrats could prevail.

Pelosi's devotion to party politics and her connection to San Francisco's monied crowd propelled her to the

islation. Instead, she would rally the Democratic caucus to hold the ranks and try to score rhetorical points on the evening news and weekend talk shows.

The other approach, the one being taken by most of the Democratic presidential hopefuls other than Gore, is to try and wrest substantive policy concessions from the administration. Such concessions might not stir the blood of the faithful, but they would make the ensuing legislation more progressive. Senator John Edwards (D-North Carolina) has been giving voice to this approach in his early forays in New Hampshire, where he tells liberal activists that they may not like the fact that he supported Bush on Iraq but that they ought to appreciate that Edwards and the Democratic leadership extracted a better resolution than the White House originally offered.

"The difference in the two approaches is the difference between actually governing and just throwing verbal stones," asserts Republican consultant Frank Luntz. "Nancy Pelosi wants to be the first female speaker in American history, and I think she'll realize that the way to do that is to position the Democrats as more than the 'loyal opposition,' but as the *cooperative* opposition. She'll find some well-publicized areas where she can point to how she worked with the president. She's too smart a person to just have her party come across as fractious, vicious and partisan. The problem for her is that as smart as she is, she's also an ideologue. She'll have to make a choice between that side and her pragmatic side."

In other words, before Pelosi compromises with the White House, she'll have to compromise with herself. But would Pelosi really be helping her party by acting in a way that would also help Bush? And will Bush make it easy for her to do so?

"She would be his Bob Bullock," says Princeton presidency scholar Fred I. Greenstein, in reference to Bush's friendly relations with the former Democratic lieutenant governor of Texas. "I think that Bush will bond personally with her or try to do so, perhaps using her daughter's HBO special as the hook."

Bush is also dancing to some of the same tunes — whether to posture for 2004 or reach for a substantive agenda that would require bipartisan cooperation. Picking a fight with Pelosi might score points on the campaign trail, but the cost of legislative gridlock would probably include at least some of the GOP hopes for energy, Social Security and maybe even tax policy.

"I am betting the 'compassionate' side of the president's conservatism might be more prevalent in the next two years, and that means the door will be open for Pelosi," said Mike McCurry, former press secretary in the Clinton White House. The "next big question: Does she walk in or live to fight another day? My bet is that she figures out how to work with the president when she can and where to pick her fights [carefully] when she must."

Foreign policy might be the tricki-

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position of state party finance chair and California Democratic chair in the 1980s. In 1987, Representative Sala Burton (D-San Francisco), from her deathbed, asked Pelosi to succeed her. In a special election, Pelosi won the Democratic nomination against San Francisco Supervisor Harry Britt, who at the time would have been the first openly gay man ever elected to Congress. It was the only difficult election she ever faced.

The first time she walked onto the House floor as a freshman in 1987, she estimates she already knew 200 fellow members by name.

"A little pretty girl"

When it comes to making political decisions, Pelosi describes herself as a cold-blooded pragmatist.

The day after her Rocky Mountain coffee high, Pelosi was in the coal country of eastern Pennsylvania, raising money for a fellow Democrat who happens to be anti-choice, pro-gun, and unlike Pelosi, voted to give President Bush the authority to attack Iraq.

Never mind that Lackawanna County, Pennsylvania is 2,800 miles from the corner of Haight and Ashbury, and several political universes away from Pelosi's Pacific Heights home. Pelosi even managed a smile when the 65-year-old candidate, Paul Kanjorski, introduced her to the sausage eating crowd as "a little pretty girl from California."

"There's nothing I want more than winning the House for Democrats," Pelosi said. "Make no mistake about that."

Pelosi's take-back-the-House brain trust is based in San Francisco. Former lieutenant governor and California Assembly Speaker Leo McCarthy and longtime political adviser Mary Hughes help Pelosi make the "reptilian analysis," as Pelosi puts it, of where she should spend her political capital.

The assessments are based on polls, candidates' financial standing, past performance and reports from sources in Washington and the district. Through her political action committee — PAC to the Future — Pelosi distributed nearly $1 million to fellow Democrats, more than any other member of Congress, according to reports by the Independent Center for Responsive Politics.

Nancy Pelosi

Age: 61

Birthplace: Baltimore, Maryland

Family: Husband, Paul, and five children

Education: Trinity College, BA 1962

Experience:

Elected House Minority Leader, 2002
Chosen Democratic Whip At Large, 2001
U.S. House of Representatives, 1987-present
Committees include Appropriations & Intelligence
Democratic National Platform Committee, 1992
Democratic Senate campaign committee chair, 1985
California Democratic Party chair, 1981-83
Northern California Democratic chair, 1977-81

est for her. In 1991, Pelosi opposed the Bush administration-sponsored Iraq war resolution. Conservatives have made great sport recently reminding people that one of the reasons Pelosi cited for her opposition 11 years ago was concern over the potential environmental damage in Kuwait. But more problematic for her is that she opposed the Bush administration-sponsored Iraq war resolution in 2002 as well. This is a post-September 11 vote that works in San Francisco and in peace circles, but not as well in the heartland. And it contrasts awkwardly with Bush's subsequent 15-0 victory in the U.N. Security council.

"If she doesn't move to the center, she's going to be a disaster," said one former Clinton administration domestic policy adviser. "The whole White House strategy hinges on making the Democrats come across as far-left obstructionists not interested in getting anything done. I'm afraid she's going to play right into their hands."

Perhaps so, but it's also true that the rumblings about Gephardt within the Democratic caucus began long before the night of November 5. They began when he sided with Bush on Iraq. Pelosi knows this — she was right in the middle of it.

"I think she sees herself as having been given the task of building a new Democratic Party," says Jim Duffy, a political consultant close to Pelosi's more centrist rival, Representative Martin Frost of Texas. "She wants to build it as an activist party and build it in opposition to Bush."

The obvious peril with this approach is that it frees the White House to ignore her, which is what Charlie Cook, author of the non-partisan Cook Political Report, believes is most likely. "I just doubt if they'll waste a lot of time on her beyond the formalities," he said. "They may just deal with Republicans and 'blue dogs' and 'new dogs.'"

This makes sense. After all, if the White House wants to, it can ram pretty much anything it wants through the House. The Republicans' difficulties, despite the results of November 5, are still in the Senate.

"The real question," says one top White House official, "is not how we're going to deal with her. It's how she's going to deal with us. The president gets along with her well enough, he'll bring her in here, and if she wants to really participate, that's fine. Her difficulty is her ideology — and her party. If Gephardt got in trouble because he was two or three steps to the right of liberal purity, who thinks a San Francisco liberal will lead them toward the middle? I think her instinct is to be a purely oppositional party."

Asked if personal chemistry might overcome this chasm, this White House aide sounded skeptical.

"Look, the president likes her," he said. "but he likes her daughter better."

Carl Cannon is a writer for the National Journal. *Comments on the article can be sent to* **edit@statenet.com.**

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Celebrating her victory win as House minority leader with Dick Gephardt.
Photo:Reuters/Brendan MacDermaid

It is something that breeds loyalty among those she supports, and, at times, contempt from those she does not. Earlier this year, Pelosi caused a stir by sending $10,000 to Michigan Representative Lynn Rivers, who was squeezed into the same district as fellow Democrat John Dingell by reapportionment.

Dingell, the longest serving Democrat in the House, did not take kindly to the intrusion, and many observers described Pelosi's public donation as a "rookie mistake."

Pelosi's aides made clear there was no mistake. Dingell had not supported Pelosi in her race for House whip, the party's number-two position. Rivers had. Pelosi, while unfailingly polite in her personal interactions, is quite capable of the hardball politics more typically associated with men.

There are more than a few Democrats who fear that Pelosi's liberalism will outweigh her pragmatism.

Al From, president of the centrist Democratic Leadership Council, voiced concern over Pelosi's partisan instincts and warned that her vow to highlight the parties' differences may turn off moderate voters.

"The seats we have to win to win [control of] Congress are going to be in swing districts. The party has to keep its eye on trying to capture the vital center of the electorate," From said. "I hope Nancy understands that. She's a smart politician. I don't think she'd be in the business of committing political suicide."

Two moderate Democrats challenged Pelosi for the top leadership post, both warning that a San Francisco Democrat would have trouble unifying the party. Both failed miserably. Martin Frost of Texas abandoned the race after just 24 hours, and Pelosi trounced Rep. Harold Ford of Tennessee by a vote of 177 to 29.

Pelosi had pledges of support from all 33 incoming California Democrats, and nearly the entire Congressional Black Caucus, the Progressive Caucus, and most of the women of the House. It didn't hurt that Pelosi had raised money for nearly half the House Democrats, including dozens of the moderate members.

"Her support came from every quarter — conservatives, liberals, westerners, southerners," said Representative George Miller (D-Martinez), who, along with Representative Anna Eshoo of Palo Alto are among Pelosi's closest California lieutenants.

After winning, Pelosi moved quickly to placate conservative Democrats by naming one of their own, Representa-

PELOSI'S KEY VOTES IN THE 106TH CONGRESS

Patient Bill of Rights	Y	Gun Show Background Checks	Y
Accelerate Minimum Wage	Y	Ban Partial Birth Abortions	N
Strike Ban on Ergonomic Standard	Y	NATO War in Serbia	Y
Override Estate Tax Veto	N	Permanent Trade with China	N
Bar RU-486 Funding for FDA	N	Debt Relief for Third World	Y
Display Ten Commandments	N	Drop Cuba Economic Embargo	Y

Source: Almanac of American Politics 2002

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Then outgoing minority whip David Bonior (D-Michigan) presents his successor, Nancy Pelosi, with a whip. October 10, 2002. AP Photo/Joe Marquette

tive John Spratt of South Carolina, as her top assistant (the number-five leadership post), and her chief deputy on economic matters.

"It's not a matter of where you are on the spectrum... It's an issue of how you lead the troops," Pelosi said in an interview on the eve of her election to the post. "To be a leader is not to say that everyone in the country — or the Congress — must vote along with you and your district."

That didn't stop the worrying. South Carolina Democratic Party Chair Dick Harpootlian warned in a TV interview that Pelosi "was too liberal for the party's good." Harpootlian cited Pelosi's opposition to the death penalty, support for gun control and gay marriages, concluding, "I'm sorry. Now that may be an issue that's hot in San Francisco, but not the rest of the country. We're going to be spending a considerable amount of time explaining to moderates and swing voters why we picked one of the most liberal legislators in the country to head our caucus. It's a distraction at the minimum, and a huge problem at the maximum."

Pelosi, characteristically, did not respond specifically to Harpootlian's comments except to say that she has campaigned successfully for South Carolinians in the past.

Pelosi is already the highest-ranking woman in the history of the House of Representatives. She has yet to satisfy her ambition.

She often tells donors the story of her first visit to the White House as part of the leadership team. Seated with President George W. Bush, Vice President Dick Cheney, the speaker of the House and the majority and minority leaders of each party, she recalls suddenly feeling squeezed on her chair.

"Kind of strange," she told a group recently. "And then I realized that I was surrounded in my chair by Susan B. Anthony and Elizabeth Cady Stanton" and other heroes of the women's movement. "And I could almost hear them say, 'At last we have a seat at the table.'"

"Of course, my first thought," Pelosi continued, "was that we want more."

If Democrats win back control of the House while Pelosi is their leader, she will almost certainly become speaker, something no woman — or Californian — has done before. However, Pelosi's challenge is huge. Democrats are now more than 20 seats behind, and already appear to have more vulnerable seats to defend in 2004 than their counterparts. President Bush, who will be back on the ballot, is as popular at this point as any president in history.

Pelosi is reluctant to talk about the next step, ever careful not to make any impolitic assumptions.

"I intend to win whatever I run for," Pelosi said, coasting past Denver's Coors Field on her way to yet another campaign event. "Whether it's by more votes or fewer votes, I intend to win."

Contributing editor Marc Sandalow has covered Nancy Pelosi for nine years as the San Francisco Chronicle's *Washington bureau chief. Comments may be sent to* **edit@statenet.com.**

Leaning Left: Congressional ratings indicate a lawmaker's support for specific interest groups. A 100 rating means the individual voted with the interest group on a list of designated bills.

INTEREST GROUP RATINGS FOR PELOSI	YEAR 2000	YEAR 1999
Liberal: Americans for Democratic Action	100	95
Civil Rights: American Civil Liberties Union	92	--
Labor: American Federation of State, County and Municipal Employees	100	100
Environment: League of Conservation Voters	93	94
Business: Chamber of Commerce of the United States	42	12
Religious Conservatives: Christian Coalition	0	--

Source: Alamanac of American Politics 2002

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"One of the biggest needs of all communities, including Indian communities, is finding a solution to violence. The long-term solutions must promote living a balanced life in terms of philosophy, respect and self-discipline."

Joseph A. Myers

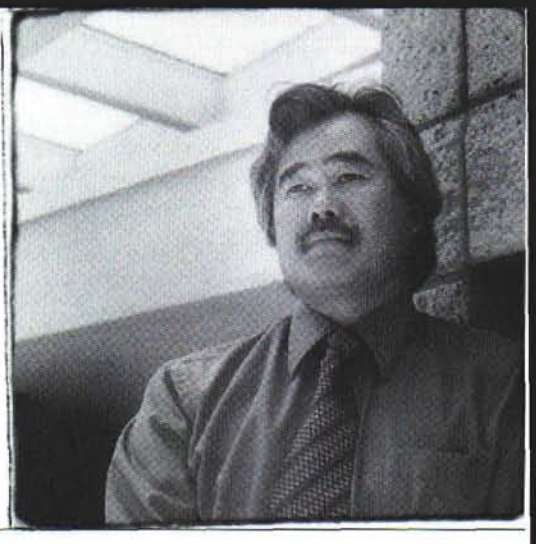
Raja Rahim

"Prevention and intervention must happen on various levels. Women need to be educated, batterers need to be educated, and our communities need to be educated about the effects that domestic violence has on our children."

Preventing Violence: Creating Healthy Communities

"School violence is violence that occurs on a school campus, but it's really community violence. School safety is just one of the components of a meaningful solution. Family, community and peer groups need to be brought in as well."

Wayne Sakamoto



the California Peace Prize 2002

The California Wellness Foundation

UNSUNG HEROES SAVING LIVES

The California Wellness Foundation is proud to honor its 2002 California Peace Prize awardees: Joseph A. Myers, Raja Rahim and Wayne Sakamoto. Each will receive a $25,000 grant to acknowledge their work to prevent violence. Distinguished by their impressive personal and professional accomplishments, these creative leaders have improved the health of their communities and demonstrated through their actions that violence can be prevented. To learn more about their work and the Foundation, visit ***www.tcwf.org.***

Joseph A. Myers, Petaluma. Through the National Indian Justice Center, an organization he helped create, Myers works with tribes and state and local agencies to support and promote sovereignty. His work includes assisting the development of tribal legal codes for domestic violence, child abuse and neglect, and juvenile justice. Myers' efforts improve the health and safety of tribal communities throughout California.

Raja Rahim, San Francisco. Drawing from her Muslim faith and personal experiences as a survivor of sexual abuse and domestic violence, Rahim works both professionally and on a volunteer basis to prevent violence. As the domestic violence liaison for the Greenbook Project, she uses her skills as counselor, advisor, organizer and policy advocate to help create healthier and more peaceful communities in San Francisco.

Wayne Sakamoto, San Diego. An advocate of youth development, Sakamoto believes that empowerment is a key to prevention. At the San Diego and Riverside County Departments of Education, he has touched the lives of thousands of youth by creating and directing innovative programs such as Project Courage, School Community Policing and Partnership, and Gang Risk Intervention and Mentoring.

The California Wellness Foundation

Grantmaking for a Healthier California

6320 Canoga Avenue, Suite 1700, Woodland Hills, CA 91367

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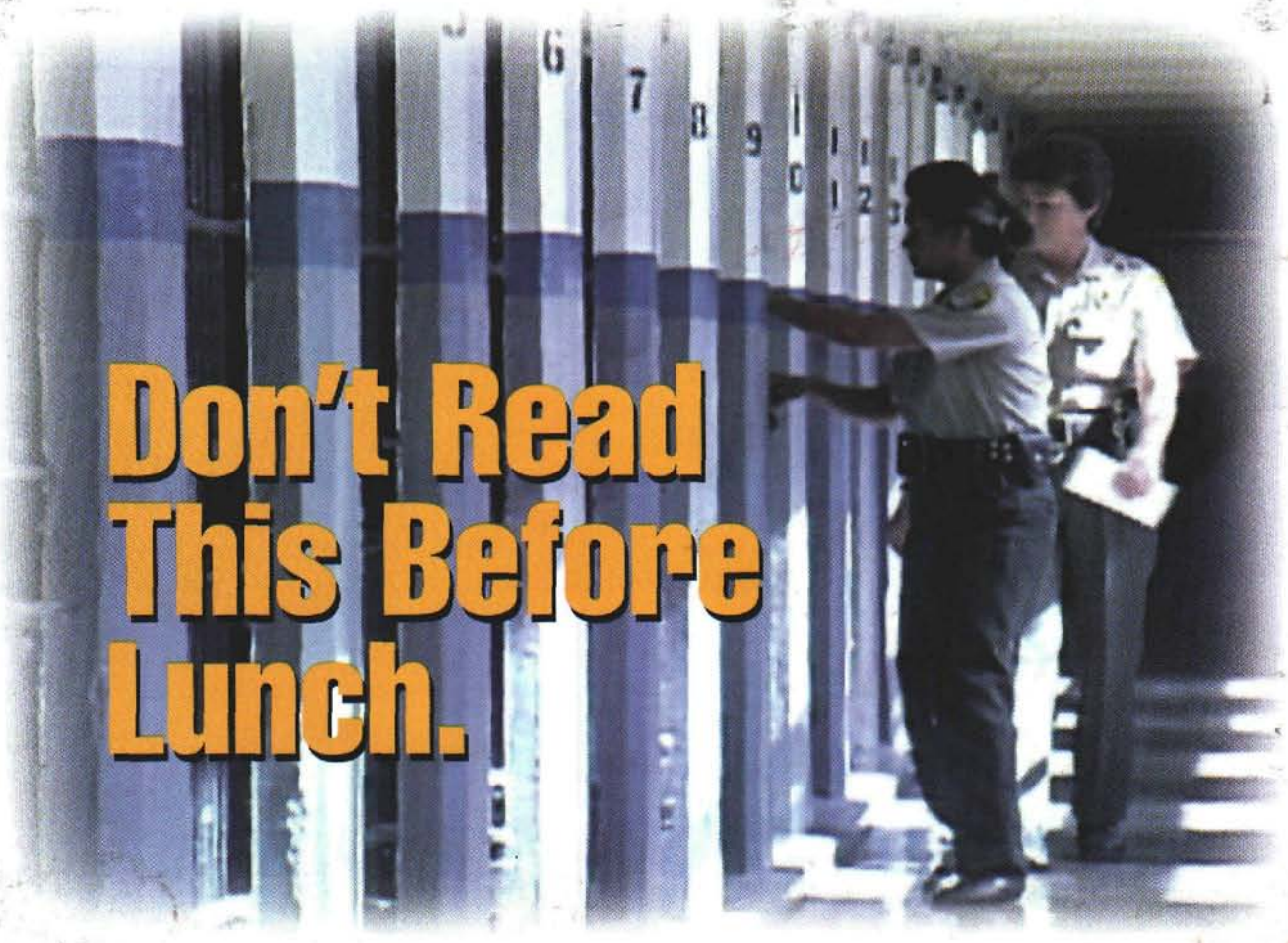

Don't Read This Before Lunch.

On average, nine correctional peace officers are assaulted every day in California prisons, often with "shanks" and other killing weapons.

But we're also the target of another kind of assault that can be just as deadly.

It's called "gassing" — and it's like nothing you can imagine.

Gassing is when an inmate throws urine, feces, blood, semen or saliva in an officer's face as he or she walks by a cell door.

Gassing exposes officers and their families to AIDS, hepatitis, tuberculosis and a host of other deadly diseases that are common among prison inmates.

Until 1997, inmates who gassed could refuse to be tested for these diseases, so officers and their families would have to wait months to learn if they were exposed.

That finally changed thanks to legislation authored by Assemblyman Rod Pacheco requiring testing of inmates who gas officers.

Gassing. It's just part of what we're up against on the toughest beat in the state.

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